

**Statement of Chairman Sherrod Brown**  
**“Strengthening Oversight and Equity in the Appraisal Process”**  
**March 24, 2022**

A home is so much more than four walls and a roof.

It’s the refuge you return to after a long, hard day at work. It’s what keeps you safe at night. It’s where you make memories with your children – watching them take their first steps, taking first-day-of school pictures.

And for middle-class families, a home is their single biggest source of wealth – more than bank savings or retirement accounts. And for those who aspire to the middle class, homeownership is often the way to get there.

It’s not just their physical security, it’s their economic security. Families count on the value of their home as they think about sending their kids to college or about how they’ll afford retirement.

How much your home is worth matters.

For decades, from the Black Codes to Jim Crow, this country locked Black Americans out of one opportunity after the other – the opportunity to vote, the opportunity to get an equal education, the opportunity to have the basic dignity of being able to pick your seat on a bus or a train.

In 1933 the federal government created the Home Owners’ Loan Corporation, essentially setting up what would become the 30-year mortgage to help more families own their own home.

Soon after, federal policy followed the lead of local communities, locking in discrimination and locking out Black families.

With redlining maps our government cut off mortgage access – and with it, access to affordable homeownership – in neighborhoods where Black and brown families lived.

For more than 30 years – from 1934 to 1968 – the federal government endorsed the idea that homes and neighborhoods were worth less because of the race of the people who lived there.

The Fair Housing Act began to change that.

In 1968, we affirmed that no one – no one – should be denied housing or discriminated against based on the color of their skin or where they were born.

In case it wasn’t clear, the courts and then Congress made it clear that using race to determine a home’s value would, finally, be illegal discrimination.

But just because it’s illegal, doesn’t mean it doesn’t happen.

Look at home values across neighborhoods today. It’s obvious that the redlining of the past hasn’t been undone.

And talk to Black families who have had their home appraised. Listen to the stories they can tell you. It’s obvious that discrimination is still happening.

Look what happened to the Parkers, a Black family in Loveland, Ohio.

Just last year, after their appraisal came in far lower than they or their realtor expected, the Parkers took down all their family photos and had a white friend meet a new appraiser.

Their home was suddenly worth \$92,000 more – that’s almost 20 percent.

That’s about as clear-cut an example of how this discrimination works as you could find. And it’s happening today.

When a Black family owns the home, it’s worth one price.

But when a white family owns the home, it’s worth a different – 20 percent higher – price.

Ms. Parker said in an interview that she had to tell her six-year old daughter, “Sometimes because of the color of our skin, we get treated differently.”

That’s something no parent should ever have to say.

Yet it happens all the time.

When Andre Perry of the Brookings Institution looked at home values, he found that homes in majority-Black neighborhoods were worth 23 percent less than homes in neighborhoods with few Black residents, even when they had access to the same quality schools, same access to businesses, and same rates of crime.

Twenty-three percent.

That means 23 percent less for college tuition, 23 percent less for retirement, 23 percent less to put into a down payment on the next home, and 23 percent less to pass on to your children and grandchildren.

Appraisals determine the value of your home based on how much your neighbors’ homes sold for. So the devaluation of a home today means that homes down the street will sell for less. That in turn means the next home that gets appraised will come in lower. And on and on it goes, for years and years – for decades, for generations.

And the cycle will continue, unless we end it.

Last year, the Biden-Harris Administration took the first step when it announced an initiative headed by HUD Secretary Marcia Fudge to address bias in home appraisals.

Secretary Fudge formed an interagency task force led by Melody Taylor that, just yesterday, released an Action Plan to tackle this problem.

The Task Force’s plan focuses on actions that federal agencies can take today:

- strengthen oversight of fair lending laws,
- identify and address systemic issues in the appraisal process,
- grow and diversify the appraiser workforce, and
- give consumers tools to report bias.

Today, we’ll hear from Ms. Taylor and from Jim Park, the head of the federal organization that oversees the appraisal regulatory process, about what federal agencies will do to put this plan into action.

And we’ll also hear what we can do to help them do their work.

This isn't a theoretical issue. This is an issue that has real consequences for the families we serve.

I look forward to hearing what we can do to make sure millions of Americans like Ms. Parker never have to settle for less.

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