

PAVE

Rooting Out Bias in Home Appraisals

pave.hud.gov/gethelp



PAVE Task Force:

The Biden-Harris Administration took a historic approach to advancing racial equity, including directing every agency across the whole of the federal government to address the lasting impacts of systemic racism on Black and Brown communities.

FORMED JUNE 2021

RELEASED MARCH 2022

ONGOING

The PAVE Task Force

Co-chaired by *HUD Secretary Marcia L. Fudge* and *Domestic Policy Council Advisor Susan Rice*

A first-of-its-kind interagency initiative to root out racial discrimination in home appraisals. Under the direction of President Biden

Convened agencies to **advance racial equity in home appraisals**. Together, this Task Force has made tremendous strides to develop actionable recommendations, to be detailed in the **Final Action Plan**.



INITIAL IMPACT

The **Final Action Plan**, informed by stakeholders and drafted by the Task Force, highlighted immediate and near-term actions that both public and private sector partners could take to advance racial equity and reinvest in the community.



FOLLOW THROUGH

Together, we are using the Action Plan release anniversary (and June 1 commemoration of the Tulsa Race Massacre) to **highlight the significant achievements made, and to rekindle public and industry interest.**

A modernized lending and home appraisal system that leverages data and removes individual bias can open pathways for all Americans to achieve the dream of home ownership.

Key Accomplishments

Since the release of the PAVE Action Plan, Task Force agencies have already taken steps to advance equity in the appraisal process.

1

More Accountable Industry

Increased oversight of the appraisal industry by FHA issuing a mortgagee letter about civil rights requirements, the PAVE Task Force issuing a joint letter to TAF clarifying the civil rights requirements, and ASC held the first-ever public hearing on appraisal bias.

2

Educate Consumers About Appraisal Bias

Launched the PAVE website which has attracted over 135,000 visitors seeking to get help, get informed, and get involved. Brought together over 1500 housing counseling agencies and others to dialogue about racial bias in appraisals. NFHTA is launching a self-paced learning pathway.

3

Empower Consumers to Take Action

FHA issued a draft mortgagee letter detailing a process to request an ROV if the initial property valuation is lower because of suspected illegal activity. Made available \$28 million in grants making supporting fair housing outreach, enforcement, and testing on appraisal bias an eligible activity.

4

Diversifying Workforce

Utilizing Federal grant funds, the State of Mississippi launched a nine-month appraiser program and graduated a class of 17 diverse appraisers in August.

5

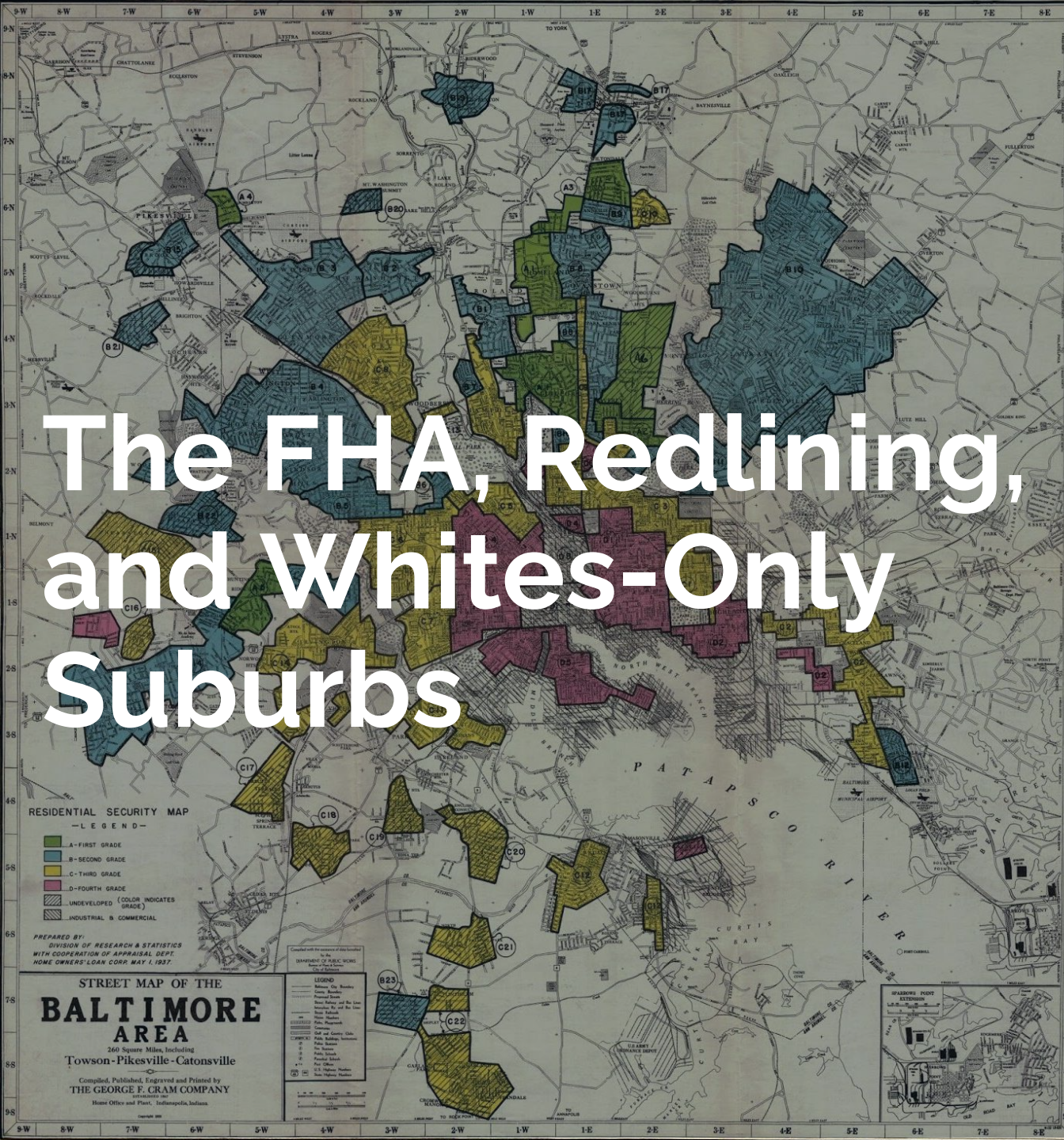
Share Federal Appraisal Data

FHFA published its Aggregate Statistics Data File and Dashboards, the first-ever publicly available datasets of aggregate statistics on appraisal records, providing the public with access to the data and trends found in appraisal reports.

6

We've Helped the People We Serve





The FHA, Redlining, and Whites-Only Suburbs



Fair Housing Becomes Law

“Today’s Federal housing official commonly inveighs against the evils of ghetto life even as he pushes buttons that ratify their triumph – even as he ok’s public housing sites in the heart of Negro slums, releases planning and urban renewal funds to cities dead-set against integration, and approves the financing of suburban subdivisions from which Negroes will be barred.”



– Senator Edward Brooke, 1968

Federal Fair Housing Act

Protected Classes

- Race
- Color
- Religion
- National origin
- Sex (including gender identity and sexual orientation)
- Disability
- Familial status (presence of children)





HUD's Office of Fair Housing and Equal Opportunity

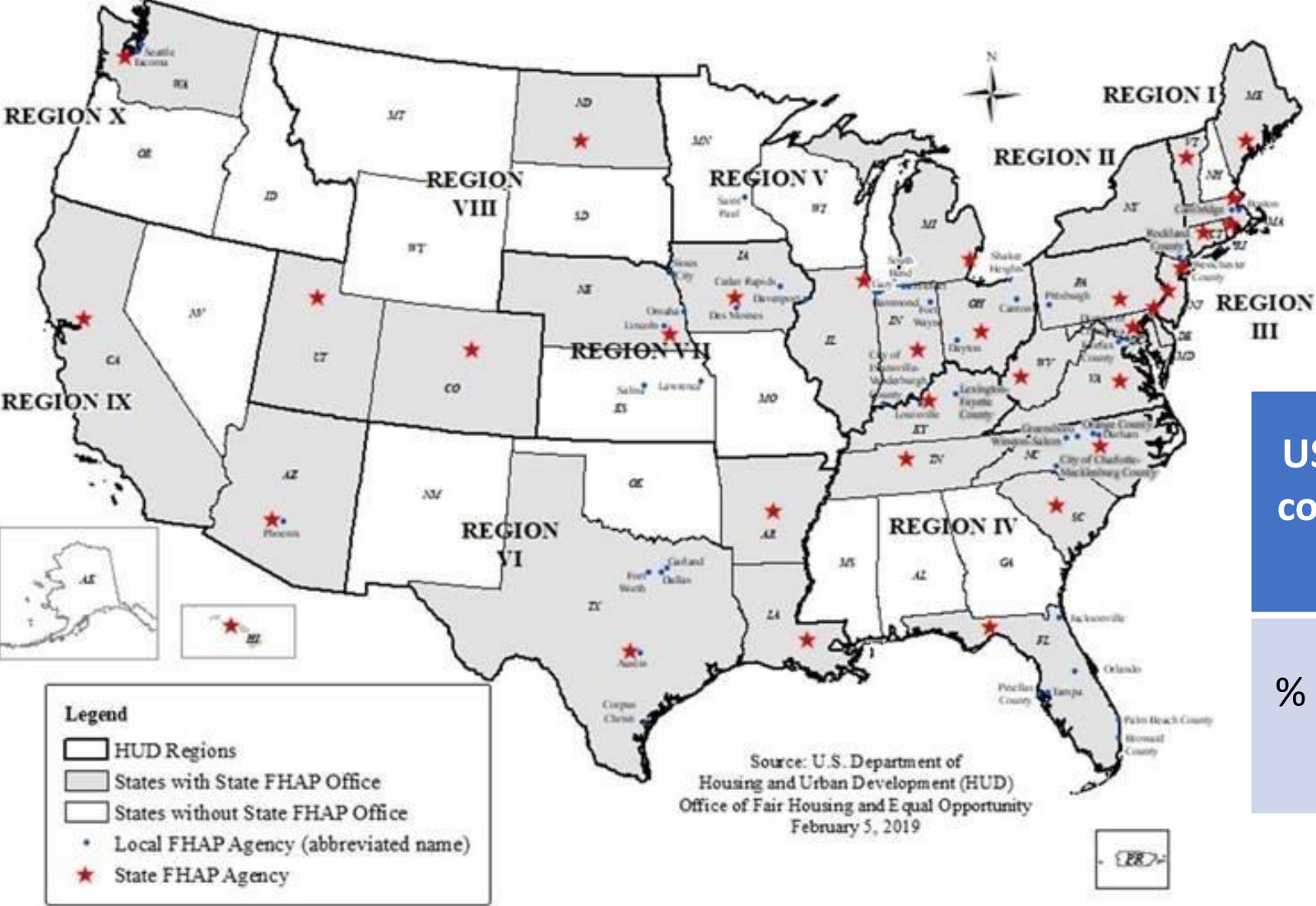
HUD's Role

The mission of Office of Fair Housing and Equal Opportunity (FHEO) is to:

- Eliminate housing discrimination;
- Promote economic opportunity, and;
- Achieve diverse, inclusive communities

FHEO does this by leading the Nation in the enforcement, administration, development, and public understanding of federal fair housing policies and laws.

Fair Housing Assistance Program (FHAP) Agencies



US POPULATION covered by FHAP (2021)	283,557,486
% Coverage of US Population	85%

Fair Housing Enforcement Procedures

- **Administrative Complaint Process** (file in 1 year)
 - **Conciliation** (*i.e.*, mediation/settlement)
 - Individual and Public interest relief
 - **Investigation** (determination on facts)
 - Interviews; on-site investigations; document reviews; analysis
 - Issue determination of reasonable cause or no cause
 - **Charge** issued to adjudicate in court and/or administratively
 - Administrative Hearing with ALJ or civil action
- Also retain right to go directly to civil action (do not need to exhaust administrative process)

