Lending and Appraisal Discrimination

A Fairfax County, Va., publication

Overview

For decades, homeownership has represented a path to prosperity and intergenerational wealth-building, but for too many Americans, discrimination in home sales, mortgage lending, and the appraisal process gets in the way.

The Fair Housing Act prohibits discrimination on the basis of seven protected classes including race, color, national origin, religion, sex, disability, and familial status. The law applies to most housing transactions, including:

- Buying or selling a home,
- Applying for a mortgage or home loan,
- Receiving a property appraisal, and
- Seeking homeowner's insurance.

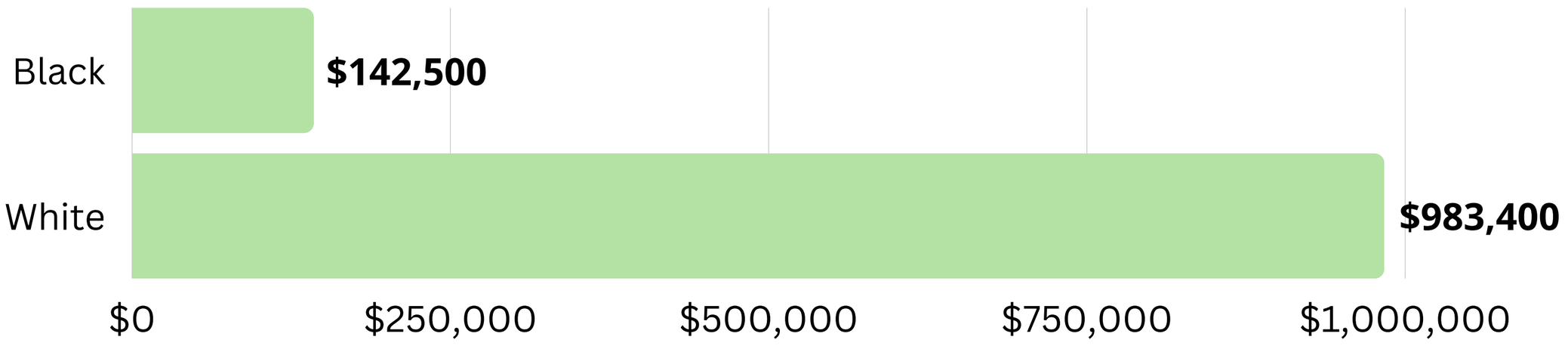
Systemic Racism Negatively Affects Home Values

Homes are valued in part based on the neighborhood in which they are located. Systemic racism has resulted in homes in predominantly white neighborhoods being valued higher than homes located in neighborhoods with higher populations of people of color.

According to data from the U.S. Census, Fairfax County follows national trends, in that, as the number of Black homeowners in an area increases, the average home value goes down. Homes in communities of color are historically undervalued for many reasons, including: discriminatory policing, redlining or reverse redlining, sex discrimination and harassment, discriminatory mortgage pricing, discriminatory denials or underwriting in mortgages, and appraisal bias.

We further see the effects of systemic racism in the homeownership gap between white families and families of color, as well as in the generational wealth gap.

Average family wealth by race in 2019:



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Examples of Potential Discrimination

- A real estate agent uses racially coded language when speaking about schools or crime to signal the racial makeup of a neighborhood.
- A bank or mortgage broker steers you to a loan with less favorable terms based on a protected trait, like your race or national origin.
- An appraiser undervalues your home because it is located in a predominantly Black neighborhood, or because you are a person of color.

Contact Us

Housing discrimination is illegal. If you believe you may have experienced discrimination or have any questions, please contact the Fairfax County Office of Human Rights and Equity Programs.

Fairfax County Office of Human Rights and Equity Programs:
703-324-2953 | TTY 711
www.fairfaxcounty.gov/humanrights/

Equal Rights Center:
202-234-3062
www.equalrightscenter.org

To request this information in an alternate format, call the Fairfax County Office of Human Rights and Equity Programs, 703-324-2953 | TTY 711.

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