CONSTRUCTIVE TOOLKIT

The Constructive

THE APPRAISAL BIAS SURVIVAL GUIDE

HOW TO DETECT, DOCUMENT, AND DISPUTE UNFAIR HOME APPRAISALS.

BY THE CONSTRUCTIVE HOUSE

The Appraisal Bias Survival Guide

How to detect, document, and dispute unfair home appraisals

By: The Constructive House

Table of Contents

Introduction

Why This Guide Exists

The home appraisal process should be fair, objective, and rooted in market data — but for many homeowners, especially non-white families, it too often becomes a hidden barrier to wealth.

Appraisal bias isn't just a paperwork problem — it's a systemic issue that can strip tens of thousands of dollars from your home's value simply because of your identity, your neighborhood, or who is present during the walkthrough. And it happens more than most people think.

This guide was created to help you **detect, document, and dispute** biased appraisals — before they cost you equity, refinancing opportunities, or a fair shot at generational wealth.

Inside, you'll find:

- Clear signs of appraisal bias
- Steps to prepare before an appraisal
- How to challenge a low or unfair valuation
- Where to report discrimination
- A sample rebuttal letter and checklist to guide you

Whether you're buying, selling, or refinancing — this survival guide puts power back in your hands. Let's make sure the value of your home reflects the truth — not someone else's bias.

🔍 SECTION 1: What is Appraisal Bias?

Appraisal bias happens when a home is undervalued due to race, ethnicity, or location, not market conditions. It's often part of broader systemic issues like redlining or steering.

🛑 **Why it matters:**

- ❖ You might lose equity or be denied financing.
- ❖ Your ability to refinance or renovate can be blocked.
- ❖ Generational wealth-building gets undermined.
- ❖ 📊 Non White families routinely receive appraisals tens of thousands lower than comparable white-owned homes.

E.g.: "My home was appraised $40,000 less than a similar one two blocks over — until my white friend met the second appraiser."

🎯 Real-World Example: Rocket Mortgage Bias Case (Colorado, 2024)

A Black homeowner in Colorado alleged appraisal bias when her home's value came in $150,000 lower than expected. After a white friend posed as the owner for a second appraisal, the valuation shot up — sparking a formal complaint against Rocket Mortgage and national media attention.

Lesson: Who's present during the appraisal — and what's visible in your home — may unfairly influence results.

🧠 SECTION 2: Signs of a Biased Appraisal

Be alert if your appraisal:

- ➔ Ignores or undervalues renovations or upgrades.
- ➔ Uses comparable sales (“comps”) from different, less valuable neighborhoods.
- ➔ Excludes homes in your area that sold higher.
- ➔ Includes irrelevant or subjective statements (e.g., “declining neighborhood”).
- ➔ Comes in significantly lower than your estimate or real estate agent’s CMA (Competitive Market Analysis).
- ➔ Changes dramatically depending on who is present at the appraisal.

🧰 SECTION 3: What You Can Do Before the Appraisal

1. Prep a Home Fact Sheet

- Include square footage, upgrades, year built, renovations, new appliances, landscaping, etc.

2. Provide Your Own Comps

- Pull similar recent sales in your neighborhood. Use free tools like Redfin, Zillow, or Realtor.com.

3. Stage Strategically

Appraisers are supposed to be objective — but unconscious bias exists. If you suspect it, some homeowners choose to:

- Remove family photos or cultural decor.
- Ask a proxy (agent, friend) to be present instead of the homeowner.

4. Request a Copy of the Appraisal Up Front

Under federal law, lenders must provide a free copy.

🗂️ SECTION 4: How to Dispute a Biased Appraisal

✍️ Step-by-Step Dispute Process:

1. **Review the appraisal**- Be sure to go over the appraisal line-by-line for errors in square footage, comps, upgrades, or neighborhood data.

2. **Write a Rebuttal Letter** — state clearly why you believe the valuation is inaccurate.

3. **Include evidence:**

  - ❖ Photos and receipts of renovations
  - ❖ Recent, nearby comps
  - ❖ Errors in appraisal (e.g., calling a 4-bed home a 3-bed)

4. **Submit your rebuttal to the lender** — they may order a second appraisal or review.

5. **File a complaint** — if discrimination is suspected file a written complaint.

📤 SECTION 5: Where to Report Suspected Appraisal Bias

Agency Name, What They Do, & How to File:

Agency	Purpose	How to Report
HUD	Handles Fair Housing Act complaints	hud.gov/fairhousing
CFPB	Reviews lending discrimination	consumerfinance.gov/complaint
State Appraisal Board	Investigates appraisers	Google "Appraiser Complaint [Your State]"
DOJ Civil Rights	Investigates systemic patterns	civilrights.justice.gov

- **Housing & Urban Development (HUD)-** Investigates housing discrimination under Fair Housing Act hud.gov/fairhousing

- **Consumer Financial Protection Bureau (CFPB)-** Reviews lending-related discrimination and appraisal issues consumerfinance.gov/complaint

- **State Licensing Board-** Reviews appraiser conduct and can revoke licenses Search "Appraiser Complaint [Your State]"

- **Department of Justice (DOJ) Civil Rights Division-** Handles systemic discrimination or large-scale patterns civilrights.justice.gov

📄 SECTION 6: Sample Rebuttal Email Template

> **Subject**: Request for Appraisal Review – [Property Address]

To Whom It May Concern:

I am writing to formally request a review of the appraisal conducted on [Date] for my property at [Address]. I believe the valuation of $[Amount] does not accurately reflect the fair market value based on:

- Incorrect data (e.g., square footage, room count)
- Inappropriate comps
- Exclusion of major renovations

I've attached supporting evidence, including recent comps, receipts, and property details. I respectfully request reconsideration and, if necessary, a second opinion.

Thank you for your attention.

Sincerely,

[Name]

[Phone/Email]

✅ SECTION 7: Survival Checklist

✔️ Request a copy of your appraisal

✔️ Document all home upgrades and improvements

✔️ Compare the appraiser's comps to your own

✔️ Write a formal rebuttal if needed

✔️ File a complaint if bias is suspected

✔️ Don't accept "that's just the market" without proof

🧾 Conclusion: Know Your Worth, Defend Your Equity

Appraisal bias isn't just a glitch in the system — it's a form of modern-day redlining that robs families of opportunity, equity, and dignity. But you don't have to face it blindly.

This guide has armed you with the tools to:

- **Spot bias** when it happens
- **Document the facts** that protect your home's true value
- **Dispute unfair appraisals** with clarity and confidence
- **Hold institutions accountable** when discrimination shows up in the data

Whether you're buying, refinancing, or just protecting your family's largest asset — your **equity matters.** And you have the right to question and challenge anything that threatens it.

Your home is more than an address. It's your legacy.

Stay vigilant. Stay prepared. Stay constructive.

– The Constructive House

Constructive Templates

Essential tools to building your Constructive Household.

Presented by Constructive House

Lending Discrimination Log

Date	Lender	Description of Incident	Outcome	Witnesses

Prep a Home Fact Sheet

Attach this sheet to your appraisal rebuttal or share it with your real estate agent/appraiser ahead of time.

🔢 Property Basics

- **Property Address:** ________________________________
- **Year Built:** ________________
- **Square Footage:** ________________
- **Lot Size:** ________________
- **Number of Bedrooms:** ________________
- **Number of Bathrooms:** ________________
- **Garage / Parking Info:** ________________________________

🛠️ Renovations & Upgrades (Past 5–10 Years)

Upgrade	Year Completed	Cost	Notes
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________
____________________ ____________________	______________	$_______ ________	______________________________ ______________________________

(Attach receipts/photos if possible)

🧱 Exterior Improvements

- ❖ New Roof
- ❖ New Siding / Paint
- ❖ Landscaping / Hardscaping
- ❖ Fencing
- ❖ Driveway / Walkway
- ❖ Patio / Deck

Details:

🧼 Interior Improvements

- ☐ Kitchen Remodel
- ☐ Bathroom Remodel
- ☐ Flooring Replacement
- ☐ HVAC / Plumbing / Electrical
- ☐ Smart Home Features
- ☐ New Appliances

Details:

____

____

____

💵 Energy Efficiency Features

- ☐ Solar Panels
- ☐ Insulation Upgrades
- ☐ Energy-Efficient Windows
- ☐ Energy Star Appliances

Estimated Savings or Rebates:

____

____

📸 Optional Attachments

- ❖ Photos of key upgrades (before & after)
- ❖ Receipts or contractor estimates
- ❖ Permits or inspection approvals

🧾 Notes or Additional Information

(Use this space to mention any factors you believe affect your home's value positively)

✍️ Owner Contact Info

- ❖ **Name:** ________________________________
- ❖ **Phone/Email:** ________________________________