

HOUSING AND COMMUNITY DEVELOPMENT (HCD)

Resolution HCD-23-33

ENDING BIAS IN HOME VALUATION THROUGH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S INTERAGENCY TASK FORCE ON PROPERTY APPRAISAL AND VALUATION EQUITY (PAVE) INITIATIVE

WHEREAS, the United States Department of Housing and Urban Development (HUD), including the Federal Housing Administration (FHA), continues to focus on its longstanding commitment and central role in providing accessible, affordable, and equitable homeownership opportunities to Americans nationwide;

WHEREAS, under the leadership of Secretary Marcia L. Fudge, HUD is committed to addressing critical housing supply and affordability challenges, while working to advance affordable homeownership opportunities that ultimately serve as a means to unlock generational wealth-building potential;

WHEREAS, a late 2021 study concluded that homes in predominantly Black neighborhoods are undervalued by as much as \$48,000 per year, accumulating to an estimated total of \$156 billion for the situated homeowners in those areas;

WHEREAS, in its effort to advance equity for people who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality, HUD expects all parties engaged in FHA's mortgage insurance programs to eliminate all considerations of race, color, national origin, religion, sex, familial status, or disability from the appraisal process;

WHEREAS, Secretary Fudge credits the formation of the Interagency Task Force on Property Appraisal and Valuation Equity (PAVE) with being a significant and important initiative by HUD to root out discrimination and bring about systemic change in the appraisal of properties that will serve as security for FHA-insured mortgages;

WHEREAS, PAVE is a first-of-its-kind interagency task force dedicated to ending bias in home valuation; the task force includes thirteen federal agencies and offices and is chaired by HUD Secretary Marcia Fudge and Domestic Policy Advisor Ambassador Susan Rice;

WHEREAS, for Black homeowners who may be looking to access their home equity and are looking for recourse, Secretary Fudge pointed to recent actions by regulatory and law enforcement agencies, including the Department of Justice and the Consumer Financial Protection Bureau, to identify and offer resources to those affected by discrimination bias; and

WHEREAS, the PAVE initiative presents opportunities to advance affordable and equitable homeownership opportunities to all Americans.

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THEREFORE, BE IT RESOLVED, that the National Black Caucus of State Legislators recognize U.S. Department of Housing and Urban Development Secretary Marcia L. Fudge for her leadership in advancing the goals of the PAVE initiative, commend her tireless commitment to ending discrimination in home valuation, and wish her every success in her future endeavors; and

BE IT FINALLY RESOLVED That a copy of this resolution be transmitted to the President of the United States, the Vice President of the United States, members of the United States House of Representatives and the United States Senate, and other federal and state government officials and agencies as appropriate.

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Sponsored by: Sen. Raumesh Akbari (TN)

Policy Committee: Housing and Community Development (HCD)