

HUD FORM 903 COMPLAINT

1. Complainant(s):

National Community Reinvestment Coalition (“NCRC”)
740 15th Street NW, Ste. 400
Washington, DC 20005

Courtney Bettle
829 Brooks Lane
Baltimore, MD 21217

2. Other Aggrieved Persons:

NONE

3. The following is alleged to have occurred or is about to occur:

42 U.S.C. 3605, Section 805(a) and 24 C.F.R. 100.50(b)(3)
To discriminate against any person in making available a residential real estate-related transaction, or in the terms or conditions of such a transaction, because of race, color, religion, sex, handicap, familial status or national origin.

4. The alleged violation occurred because of:

Race

5. Address and location of the property in question (or if no property is involved, the city and stated where the discrimination occurred):

829 Brooks Lane, Baltimore, MD 21217 and
2416 Madison Ave., Baltimore, MD 21217

6. Respondent(s):

Atlantic Appraisers & Associates
Vincent June, Senior Appraiser
PO Box 546
Odenton, MD 21133

7. The following is a brief and concise statement of the facts regarding the alleged violation:

The NCRC’s fair housing testing program evaluates fair housing practices throughout the United States to combat discriminatory housing practices.

As part of its testing program, NCRC conducted matched-pair testing of real estate appraisers. NCRC hired Black/White interracial couples who own homes in the Baltimore metro area as testers. In each test, an NCRC employee selected a home owned

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by an interracial couple, and arranged for it to be appraised by two different appraisers. One of the appraisers who inspected the home was greeted only by the White homeowner when they arrived to conduct a home inspection, and the other appraiser was greeted only by the Black homeowner.

The homes were “whitewashed” before the White testers met with appraisers. This means that all family photos were removed from view, along with any cultural objects suggesting that a Black person might live in the home. The homes were also “blackwashed” before Black testers met with appraisers, with all family photos being removed from view, along with any cultural objects suggesting that a White person might live in the home.

Respondent was tested twice. In the first test, Respondent conducted a home inspection and met with the Black tester in November 2021 and assigned the tester’s home a value of \$310,000. Another appraiser inspected the same home also in November 2021, and met with the Black tester’s White spouse, and assigned the home a value of \$350,000. This marks a 12.9% increase in the value of the home. This was the largest gap between valuations seen in any of the tests.

Respondent was tested again in August 2022. This time, NCRC hired Respondent to appraise a different home and meet with a White tester, to determine whether Respondent would overvalue or undervalue a home that was presented as White-owned.

Respondent met with a White tester, and appraised the tester’s home at \$553,000. Another appraiser, who met with the White tester’s Black spouse, appraised the home at \$507,000. Respondent’s valuation of the property was 9.1% higher than the other appraisal company’s. This was the second largest gap between valuations seen in any of the tests.

The home from the second test was appraised four other times, by four other appraisers, over the course of the testing project. The other appraisers all valued the home between \$460,000 and \$510,000.

NCRC conducted seven tests, and paid for a total of 14 appraisals. The two tests involving the Respondent had the largest margins of difference in home valuations. Respondent undervalued the first home when it was presented by a Black homeowner, and overvalued the second home when it was presented by a White homeowner.

The details of the two tests are as follows. The first test took place in November 2021. An NCRC employee contacted two appraisal management companies in order to arrange

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appraisals of a home located at 829 Brooks Lane in Baltimore. The home is owned by Courtney and Jonathan Bettle. Courtney Bettle is Black, and Jonathan Bettle is White.

NCRC hired Nationwide Property & Appraisal Services to arrange for an appraisal of the home at 829 Brooks Lane, and provided them with the name and contact information of Courtney Bettle, who is Black, as the homeowner who would be their contact.

NCRC also hired a different appraisal management company to arrange for an appraisal of 829 Brooks Lane, and provided that company with the name and contact information of Jonathan Bettle, who is White, as the homeowner who would be their contact.

Appraisal management companies are intermediaries that contract with independent appraisal companies to complete appraisal assignments. NCRC chose to hire appraisal management companies, because NCRC wanted to test appraisal companies randomly. NCRC left the selection of the appraisal companies to the appraisal management companies, without having any idea who they would choose.

Nationwide Property & Appraisal Services chose Respondent to appraise the home at 829 Brooks Lane. The other appraisal management company selected a different appraisal company to appraise the same home.

Jonathan Bettle met with an appraiser for a home inspection on November 12, 2021. Courtney Bettle was not present when the appraiser inspected the home, and the home had been “whitewashed” before the appraiser arrived. This appraiser later issued an appraisal report valuing the home at \$350,000.

Courtney Bettle met with Jonathan Kinard, an appraiser working for Respondent, on November 29, 2021. Jonathan was not present when the appraiser inspected the home, and the home had been “blackwashed” before the appraiser arrived. The appraisal report that she received was written by Vincent June, who is the Senior Appraiser for Respondent. This report valued the same home at just \$310,000.

NCRC conducted another test later in the study using the Bettles’ home. In June 2022, one appraiser valued the home at \$370,000, and another appraiser valued the home at \$380,000. The only renovation that occurred at the Bettles’ home between the November 2021 test and the June 2022 test was the addition of a carport, which the Bettles installed themselves. The materials for the carport cost \$1,635.99. The valuations of \$370,000 and \$380,000 further demonstrate that the \$310,000 valuation provided by Respondent to the Black homeowner was significantly lower than the valuations provide by three other appraisers.

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The \$40,000 gap between Respondent's \$310,000 valuation, and the \$350,000 valuation assigned by the other appraiser within a week of the first appraisal, was substantial enough that NCRC decided to re-test Respondent. For this test, NCRC hired Respondent to appraise a different home in the same neighborhood. The home, located at 2416 Madison Ave., is owned by a different interracial couple.

For this test, NCRC chose not to hire appraisal management companies, as that would prevent NCRC from ensuring that Respondent would be chosen by the appraisal management company. Instead, NCRC reached out to appraisal companies directly.

NCRC hired Respondent to inspect the home, and arranged for an appraiser from the company to meet with the White homeowner. NCRC also hired a different appraisal company to appraise the home, and arranged for an appraiser from the company to meet with the Black homeowner.

The Black homeowner met with an appraiser on August 11, 2022. The White homeowner was not present for the home inspection, and the home had been "blackwashed" before the appraiser arrived. The appraiser later issued a report valuing the home at \$507,000.

The White homeowner met with Vincent June of Respondent on August 31, 2022. The White homeowner was not present when the appraiser inspected the home, and the home had been "whitewashed" before the appraiser arrived. On September 6, 2022, Mr. June issued a report valuing the home at \$553,000.

The home at 2416 Madison Ave. was appraised six times over the course of the testing project. All of these appraisals took place between May 2022 and August 2022. The appraisal conducted by Respondent was the last of the six appraisals. The first five appraisal reports all valued the home somewhere between \$460,000 and \$510,000. The appraisal report provided by Respondent valued the home \$43,000 higher than any of the other appraisal reports.

There is a significant disparity between how Respondent valued a home that was presented as Black-owned, and how Respondent valued a home that was presented as White-owned on multiple occasions. This disparity constitutes a significant difference in treatment based on race.

- 8. The most recent date on which the alleged discrimination occurred:**
Sept. 6, 2022

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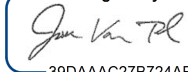
9. Types of federal funds identified:

NONE

10. The acts alleged in this complaint, if proven, may constitute a violation of the following:

42 U.S.C. 3605, Section 805 (a) and 24 C.F.R. 100.50(b)(3)

I declare under penalty of perjury that I have read this complaint (including any attachments) and that it is true and correct.

DocuSigned by:

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11/4/2022

Jesse Van Tol, CEO
National Community Reinvestment Coalition

Date