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CITY OF  
**PORTLAND, OREGON**  
GOVERNMENT RELATIONS

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House Committee on Housing & Development  
Oregon State Legislature  
900 Court Street NE  
Salem, OR 97301

Dear Chair Dexter, Vice-Chair Gamba, Vice-Chair Helfrich, and Members of the Committee:

I am writing to you today to express our support for SB 702, which would require implicit bias training for real estate appraisers and address persistent racial inequities in homeownership. We fully encourage that the Committee support the passage of this bill.

The exclusion of Black Americans from homeownership has long been recognized as contributing to the racial equity wealth gap that has persisted across our nation for generations. The federal government and Oregon have taken repeated action to address these disparities with policies that support fair access and treatment in the real estate market. Despite these efforts, Oregon has continued to acknowledge that more work is needed to support fair access to homeownership for our Black, Indigenous and People of Color communities. In acknowledgement of this need, the Legislature created the Joint Advisory Task Force on Addressing Racial Disparities in Homeownership (“the Task Force”). The Task Force has continued to present policy proposals that address barriers to homeownership for BIPOC communities since its formation in 2018.

SB 702 is one policy proposal set forth by the Task Force that seeks to address the well-documented and published issue of bias and discrimination in home appraisals for Black homeowners. After evaluation of 12 million appraisals for transactions submitted to Freddie Mac between 2015 and 2020, they concluded that Black majority areas receive appraisal values lower than contract prices 12.5% of the time, compared to 7.4% of the time in predominantly White neighborhoods<sup>1</sup>. Majority Latino neighborhoods were appraised below contract price 15.5% of the time. **Importantly, appraisal gaps identified were not being driven by a handful or small fraction of appraisers in the marketplace, but a large portion of appraisers who worked both in predominantly White and non-White areas.**

Studies published by the Brookings Institution estimate losses of over \$45,000 per home for those living in majority Black neighborhoods<sup>2</sup>. Countless stories have been published in the media of how families are being affected by devaluation - Black homeowners swapping out or removing family photos to receive higher appraisals or being unable to qualify for refinancing.

The Legislature has acknowledged the role that professional education has to play in addressing these systemic issues of inequity. Requirements of implicit bias training for mortgage lenders and continuing fair housing education for real estate professionals were both passed by the Legislature with bipartisan support. It is only then reasonable to extend a similar requirement to appraisers, through the passage of SB 702, to ensure that all significant actors in real estate transactions have the proper training to produce equitable results in their work.

It is our duty to affirmatively further fair housing and to address the unfair treatment of Oregonians on the basis of race. I strongly urge you to support SB 702.

Sincerely,



Sam Chase  
Interim Director  
Office of Government Relations

1 Freddie Mac. "Racial and Ethnic Valuation Gaps in Home Purchase Appraisals." *Freddie Mac*, 20 Sept 2021, [https://www.freddiemac.com/research/insight/20210920-home-appraisals?\\_gl=1\\*10nvfr9\\*\\_ga\\*NzEyMTY3ODg5LjE2ODEzMjIxNDA.\\*\\_ga\\_B5N0FKC09S\\*MTY4MTMyMiE0MC4xLjAuMTY4MTMyMiE0MC4wLjAuMA.%202.%20Rothwell.%20Jonathan](https://www.freddiemac.com/research/insight/20210920-home-appraisals?_gl=1*10nvfr9*_ga*NzEyMTY3ODg5LjE2ODEzMjIxNDA.*_ga_B5N0FKC09S*MTY4MTMyMiE0MC4xLjAuMTY4MTMyMiE0MC4wLjAuMA.%202.%20Rothwell.%20Jonathan)

2. Rothwell, Jonathan, and Andre M. Perry. "Biased Appraisals and the Devaluation of Housing in Black Neighborhoods." *Brookings Institute*, Brookings, 9 Mar. 2022, <https://www.brookings.edu/research/biased-appraisals-and-the-devaluation-of-housing-in-black-neighborhoods/>