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**Subject:** Fair Housing News: HUD Charges Appraiser, Appraisal Management Company, and Lender with Race Discrimination  
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## HUD Charges Appraiser, Appraisal Management Company, and Lender with Race Discrimination

**WASHINGTON** - The U.S. Department of Housing and Urban Development (HUD) announced today that it has charged multiple entities with housing discrimination for issuing a biased appraisal and then denying a refinance loan application in Denver, Colorado. HUD's Charge against the appraiser, Maksym Mykhailyna; appraisal company, Maverick Appraisal Group; appraisal management company, Solidifi U.S. Inc.; and lender, Rocket Mortgage, LLC, alleges that the appraiser issued a discriminatory appraisal that undervalued a Black homeowner's property on the basis of her race. The Charge further alleges that, when the homeowner complained to Rocket Mortgage, Rocket Mortgage would only proceed with her refinance loan application based on the appraised value that she alleged was discriminatory. Read [the Charge](#).

The Fair Housing Act prohibits entities and individuals involved in real estate-related transactions, including appraisals, from discriminating in the terms and conditions of the transactions because of race. The Act also prohibits anyone from retaliating against individuals who are exercising their fair housing rights, including by reporting discrimination.

"Homeownership is crucial to build both generational wealth and housing stability for Black and Brown families," said **Diane M. Shelley, HUD's Principal Deputy Assistant Secretary for Fair Housing and Equal Opportunity**. "HUD will continue to vigorously enforce the Fair Housing Act against those who seek to limit the financial returns associated with homeownership because of race or any other protected characteristic."

HUD's Charge of Discrimination alleges that Maksym Mykhailyna and his appraisal company, Maverick Appraisal Group, issued an insupportably low appraisal of a duplex owned by a Black woman in a predominantly white area of Denver. Other recent appraisals of the same property had steadily increased in value, yet this appraisal resulted in a dramatic drop, despite the Denver market experiencing substantial growth in home values at that time. To reach that low number, the appraisal was rife with inaccuracies and unsupportable methodological choices (such as relying on comparable properties in neighborhoods with greater Black populations and excluding potential comparable properties in neighborhoods with greater white populations) that not only artificially lowered the appraised value but deviated from Mr. Mykhailyna's own methodology and findings about the relevant neighborhood in appraising similar, nearby properties with White owners. Both Solidifi and Rocket Mortgage reviewed the appraisal report but failed to correct it despite several red flags. When the homeowner complained to Rocket Mortgage, she was told she could only proceed with her loan application based on the appraisal that she alleged was discriminatory; ultimately, her application was denied.

"The Fair Housing Act protects all of us from discrimination throughout the process of buying a home or securing a home loan," said **Damon Y. Smith, HUD General Counsel**. "As this Charge demonstrates, HUD is committed to ensuring that no one is denied a home or a mortgage because of a discriminatory appraisal."

A United States Administrative Law Judge will hear HUD's Charge unless any party to the Charge elects to have the case heard in federal district court. If an administrative law judge finds, after a hearing, that

If a judge hears the case and determines that discrimination has occurred, the judge may award damages to the homeowner for her losses as a result of the discrimination. The judge may also order injunctive relief and other equitable relief to deter further discrimination, as well as payment of attorney fees. In addition, the judge may impose civil penalties to vindicate the public interest. If a federal court hears the case, the judge may also award punitive damages to the homeowner.

People who believe they are the victims of housing discrimination should contact HUD at (800) 669-9777 (voice) or (800) 927-9275 (TTY). Additional information is available at <https://www.hud.gov/fairhousing>.

HUD's National Fair Housing Training Academy website contains [a flowchart of the appraisal process](#) as well as trainings related to [combating](#) and [investigating](#) appraisal bias.



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