

SENATE BILL 817

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6lr2764
CF 6lr2763

By: Senator Hayes

Introduced and read first time: February 6, 2026

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Residential Sales – Communications During Appraisal Process**

3 FOR the purpose of requiring an appraiser to provide a certain notice to certain parties to
4 a residential real property appraisal under certain circumstances; authorizing
5 certain persons to submit certain additional data to an appraiser before an appraisal
6 is finalized for a certain purpose; requiring an appraiser to include certain
7 information in an addendum to a certain report; and generally relating to residential
8 real property appraisal communications.

9 BY adding to

10 Article – Real Property

11 Section 14–1001 through 14–1005 to be under the new subtitle “Subtitle 10.
12 Appraisal Communication and Review Process”

13 Annotated Code of Maryland

14 (2023 Replacement Volume and 2025 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
16 That the Laws of Maryland read as follows:

17 **Article – Real Property**

18 **SUBTITLE 10. APPRAISAL COMMUNICATION AND REVIEW PROCESS.**

19 **14–1001.**

20 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
21 INDICATED.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(B)** "APPRAISER" MEANS AN INDIVIDUAL LICENSED OR CERTIFIED TO
2 PROVIDE REAL ESTATE APPRAISAL SERVICES UNDER TITLE 16 OF THE BUSINESS
3 OCCUPATIONS AND PROFESSIONS ARTICLE.

4 **(C)** "INTERESTED PARTY" INCLUDES A BUYER, A SELLER, A LICENSED REAL
5 ESTATE AGENT OF A BUYER OR SELLER, OR THE PROPERTY OWNER.

6 **(D)** "POINT OF CONTACT" MEANS AN INDIVIDUAL DESIGNATED BY A
7 REQUESTOR TO RECEIVE COMMUNICATIONS FROM THE APPRAISER REGARDING
8 VALUATION ISSUES RELATED TO THE PURCHASE OF RESIDENTIAL REAL PROPERTY.

9 **(E)** "REQUESTOR" MEANS THE LENDER, MORTGAGE BROKER, OR OTHER
10 INTERESTED PARTY WHO REQUESTS AN APPRAISAL OF RESIDENTIAL REAL
11 PROPERTY.

12 **14-1002.**

13 **(A)** AN APPRAISER SHALL NOTIFY THE POINT OF CONTACT AND
14 INTERESTED PARTIES BEFORE COMPLETING AN APPRAISAL OF RESIDENTIAL REAL
15 PROPERTY IF THE APPRAISER MAKES A PRELIMINARY DETERMINATION THAT THE
16 APPRAISED VALUE OF THE PROPERTY MAY BE LESS THAN:

17 **(1)** THE CONTRACT PRICE; OR

18 **(2)** FOR A REFINANCE, THE ESTIMATED VALUE.

19 **(B)** (1) ON RECEIPT OF A NOTICE UNDER SUBSECTION (A) OF THIS
20 SECTION, A REQUESTOR OR OTHER INTERESTED PARTY MAY SUBMIT ADDITIONAL
21 MARKET DATA OR COMPARABLE SALES DATA TO THE APPRAISER FOR THE PURPOSE
22 OF SUPPORTING THE CONTRACT PRICE OR ESTIMATED VALUE OF THE RESIDENTIAL
23 REAL PROPERTY.

24 **(2)** THE ADDITIONAL DATA SUBMITTED TO AN APPRAISER UNDER
25 PARAGRAPH (1) OF THIS SUBSECTION SHALL BE:

26 **(I)** IN A FORMAT SUBSTANTIALLY SIMILAR TO THE
27 COMPARABLE SALES GRID USED IN A UNIFORM RESIDENTIAL APPRAISAL REPORT;
28 AND

29 **(II)** SUBMITTED WITHIN 2 DAYS AFTER THE DATE THE NOTICE
30 WAS RECEIVED.

1 (C) (1) THE ADDITIONAL MARKET DATA OR COMPARABLE SALES DATA
2 SUBMITTED BY THE REQUESTOR OR OTHER INTERESTED PARTY UNDER
3 SUBSECTION (B) OF THIS SECTION SHALL BE RESIDENTIAL REAL PROPERTY SALES
4 THAT HAVE BEEN VERIFIED AS CLOSED.

5 (2) IF THE ADDITIONAL MARKET DATA OR COMPARABLE SALES DATA
6 SUBMITTED UNDER PARAGRAPH (1) OF THIS SUBSECTION ARE PENDING SALES, THE
7 SUBMISSION SHALL INCLUDE:

8 (I) ALL CONTRACT DOCUMENTATION; AND

9 (II) A BRIEF NARRATIVE EXPLAINING THE SIMILARITIES OR
10 DIFFERENCES BETWEEN THE PENDING RESIDENTIAL REAL PROPERTY SALES, AND
11 THE RESIDENTIAL REAL PROPERTY THAT IS IN THE CONTRACT.

12 **14–1003.**

13 (A) AN APPRAISER SHALL CONSIDER ANY TIMELY SUBMITTED
14 INFORMATION BEFORE FINALIZING AN APPRAISAL.

15 (B) A FINAL APPRAISAL REPORT SHALL INCLUDE AN ADDENDUM TITLED
16 “APPRAISAL COMMUNICATION ADDENDUM” THAT INCLUDES:

17 (1) THE DATE THE NOTIFICATION UNDER § 14–1002 OF THIS
18 SUBTITLE WAS PROVIDED TO THE POINT OF CONTACT;

19 (2) THE OTHER INTERESTED PARTIES TO WHICH NOTIFICATION WAS
20 SENT, IF ANY;

21 (3) A SUMMARY OF THE INFORMATION RECEIVED FROM THE
22 REQUESTOR OR OTHER INTERESTED PARTY REGARDING THE MARKET DATA OR
23 COMPARABLE SALES DATA; AND

24 (4) THE IMPACT, IF ANY, THE ADDITIONAL INFORMATION HAD ON THE
25 APPRAISER’S DETERMINATION OF THE ESTIMATED VALUE OF THE RESIDENTIAL
26 REAL PROPERTY.

27 (C) IF THE ADDITIONAL INFORMATION SUBMITTED TO THE APPRAISER DID
28 NOT RESULT IN A CHANGE IN THE APPRAISED VALUE, THE APPRAISER SHALL
29 INCLUDE IN THE ADDENDUM REQUIRED UNDER SUBSECTION (B) OF THIS SECTION A
30 BRIEF EXPLANATION DESCRIBING WHY THE INFORMATION DID NOT ALTER THE
31 ESTIMATED VALUE OF THE RESIDENTIAL REAL PROPERTY.

1 14-1004.

2 (A) LENDERS AND APPRAISAL MANAGEMENT COMPANIES SHALL MONITOR
3 APPRAISALS OF RESIDENTIAL REAL PROPERTY FOR COMPLIANCE WITH THE
4 COMMUNICATION PROCESS REQUIRED UNDER THIS SUBTITLE.

5 (B) THE COMMISSIONER OF FINANCIAL REGULATION MAY ADOPT
6 REGULATIONS TO IMPLEMENT THIS SUBTITLE, INCLUDING STANDARDS FOR
7 DOCUMENTATION, NOTIFICATION, AND DEADLINES.

8 14-1005.

9 (A) A PERSON MAY NOT USE THE COMMUNICATION AND REVIEW PROCESS
10 ESTABLISHED UNDER THIS SUBTITLE TO PRESSURE, INFLUENCE, OR COERCE AN
11 APPRAISER IN THE DEVELOPMENT, DETERMINATION, OR REPORTING OF AN
12 APPRAISAL FOR RESIDENTIAL REAL PROPERTY.

13 (B) A PERSON'S PARTICIPATION IN THE COMMUNICATION AND REVIEW
14 PROCESS ESTABLISHED UNDER THIS SUBTITLE MAY NOT ALONE CONSTITUTE AN
15 ACT OF PRESSURE, INFLUENCE, OR CORROSION UNDER STATE OR FEDERAL LAW.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 October 1, 2026.