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April 5, 2022

To: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: House Bill 1097 – Task Force on Property Appraisal and Valuation Equity (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports House Bill 1097 sponsored by Delegate Marvin E. Holmes, Jr., *et al.*, which would create a task force to study and propose legislative reforms on the persistent undervaluation of property owned by minorities and in minority majority communities. The explicit and implicit discrimination in the appraisal of residential properties results in the significant undervaluation of minority-owned properties and forecloses the opportunity of homeownership, increases the cost of homeownership, and undermines the wealth building opportunities homeownership provides.¹ Presently, minority consumers are unable to avoid the deceptive, unfair, and abusive trade practices of discriminatory property valuations. As such, House Bill 1097’s proposed task force dedicated to studying these practices is a commonsense approach to propose legislative policy to rectify these practices.

For these reasons, the Division requests the Judicial Proceedings Committee issue a favorable report on House Bill 1097.

cc: The Honorable Marvin E. Holmes, Jr. *et al.*
Members, Judicial Proceedings Committee

¹ See “Black Homeowners Face Discrimination in Appraisals,” New York Times, <https://www.nytimes.com/2020/08/25/realestate/blacks-minorities-appraisals-discrimination.html>; “For Black homeowners, a common conundrum with appraisals,” Washington Post, https://www.washingtonpost.com/realestate/for-black-homeowners-a-common-conundrum-with-appraisals/2021/01/20/80fbfb50-543c-11eb-a817-e5e7f8a406d6_story.html; and “A Black couple says an appraiser lowballed them. So, they ‘whitewashed’ their home and say the value shot up,” Washington Post, <https://www.washingtonpost.com/nation/2021/12/06/black-couple-home-value-white-washing/>