

Dan Reed
8120 Hartford Avenue
Silver Spring, Maryland 20910

February 25, 2025

Chair Marc Korman
and Members, Environment and Transportation Committee
250 Taylor House Office Building
Annapolis, Maryland 21401

Dear Chair Korman and Members of the Environment and Transportation Committee:

My name is Dan Reed and I'm a homeowner in Montgomery County. I'm writing in strong support of House Bill 1151, Residential Real Property Sales – Appraisals. I grew up around real estate—my mother is a broker, and I have a license myself—and I grew up aware of racial bias in home appraisals. In 2022, I wrote a feature for Shelterforce Magazine, interviewing Black homeowners who had experienced racial bias in appraisals and what the lending industry could do about it¹. When I refinanced my home that same year, I thought I knew what to do: I shopped around different lenders, I asked about their appraisal processes, and I made sure my home was clean and well-tended for the day the appraiser came. I also went out for the day, leaving a key under the mat, so the appraiser would not meet me in person.

A few days later, the report came back. My home had been appraised at a lower value than any other townhome in my zip code had sold for in a year. To justify this value, the appraiser used comparable sales from neighborhoods several miles away. This meant a higher interest rate and the addition of private mortgage insurance, significantly raising my monthly payment. I went back and forth with my lender, Navy Federal Credit Union, asking for a second opinion. Only until I explicitly raised my concerns about racial bias did they relent and send another appraiser to my home, at my expense.

This time, I took some advice from the homeowners in the story I reported: I took down every photo of myself and my family, I took down the pride flag on my porch, and I hid it all in a corner where I knew the appraiser wouldn't look. The appraisal came back \$54,000 higher, allowing me to move forward with my refinancing as I had originally planned. I won't forget, however, that the lender I put my trust and financial security in placed a literal dollar figure on the value of my Blackness and queerness.

¹ <https://shelterforce.org/2022/02/28/a-homes-true-worth-getting-beyond-appraisal-bias/>

Had House Bill 1151 been in effect, I would have been able to ask for a second appraisal at no cost and the lender would have been obligated to provide it. It would have saved me—and no doubt countless other homeowners—money, time, and considerable heartache, while helping hold lenders accountable for biased practices. I ask the Environment and Transportation Committee for a favorable report.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Reed". The signature is fluid and cursive, with the first name "Dan" and last name "Reed" clearly distinguishable.

Dan Reed
District 20 Resident