



HB 1151 – Residential Real Property Sales – Appraisals

Position: Support with Amendments

Maryland REALTORS® supports the intent of HB 1151, to allow homeowners and sellers to have a recourse should errors be made in the valuation of a residential property. However, recent events have complicated efforts to keep this bill in line with federal lending and valuation guidelines.

HB 1151 was heavily amended in the House to more closely align to the federal reconsideration of value process (ROV), as instituted in October 2024. A reconsideration of value (ROV) is a request from a financial institution to the appraiser or other preparer of the valuation report to reassess the report based upon potential deficiencies or other information that may affect the value conclusion.

Maryland REALTORS® supported amendments to bring HB 1151 more in line with federal lending guidelines, so that federal loan products would continue to be offered to Maryland purchasers and the real estate transaction process would not be further complicated or made more expensive.

However, on March 19, the U.S. Department of Housing and Urban Development (HUD) issued Mortgagee Letter 2025-8, which rescinded current guidance and processes on reconsideration of value and requirements for appraisers. We understand that similar actions from Fannie Mae and Freddie Mac may soon follow.

This complicates the ability of Maryland to construct a framework that will work in concert with a rapidly changing federal lending environment, and one which may remain unclear through the remainder of the 2025 General Assembly Session. Further amendments to HB 1151 are necessary, though what those amendments may be is difficult to determine at this time given federal level uncertainties.

We are happy to continue conversations with stakeholders on HB 1151 and its provisions in the interim to ensure a fair and orderly process for appraisal reconsideration which protects the full range of mortgage availability for Maryland homeowners, buyers, and sellers.

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