



The members of the Maryland Mortgage Bankers and Brokers Association appreciate the need for accuracy and fairness in the Appraisal process as relates to both buyers and sellers. Much of what is contained in the bill is already in practice and should remain. These were addressed in our opposition testimony. Many of the issues that the members of MMBBA had were acceptably addressed with amendments and were appreciated. However we have several areas of concern that remain which are stated here.

- Lines 9-11 should be modified. A buyer should not be “required” to work with a seller to provide information for an appraiser and “require” the lender to provide a requesting party with a copy of the appraisal. A requesting party could be anyone and this violates privacy and confidentiality as established by Congress in 1989. The buyer has made a fair offer to purchase a property at a specified price and the seller has accepted that offer. Most Realtors provide sales comparables at or before the time of inspection to the appraiser. Most Realtors also provide this information to a buyer prior to an offer to purchase and to the seller prior to establishing a list price for a home. So a value has been established by the parties—i.e what a buyer is willing to pay to purchase and what a seller is willing to sell for. Unless the buyer decides otherwise the offer is firm. If the appraisal comes in below the offer price, the buyer has options. If they so chose , they can request a renegotiation of value (ROV), ask to be released from the contract or proceed by paying the agreed upon price. This is a ratified contract and the seller cannot interfere. The seller should not have sway in the valuation process with the sole exception being PRIOR to the completion of the appraisal. EFFECTIVE March 19,2025 HUD has rescinded this process. A renegotiation of value can ONLY be requested by a mortgage underwriter under certain specific circumstances.
- 14-104.2 (A)1- Should be modified. The “AT ANYTIME DURING THE SALE PROCESS” should state AT ANYTIME PRIOR TO COMPLETION OF THE APPRAISAL REPORT. The sale process continues from mortgage application thru the date of settlement and if allowed could cause delays that may effect the buyers rate lock and other terms of the sales contract.
- 14-104.2 (B) 2 Should be removed. With the new HUD guidelines only an underwriter can request an appraiser to revisit value under specific circumstances.

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HB 1151

It is highly anticipated that Fannie Mae and Freddie Mac will issue similar revisions that mirror HUD policy in the near term.

**Hopefully we can all agree that these changes be made so that lenders can comply with existing Federal and State requirements.** It is also important to note that contracts of sale have firm dates for closing and the appraisal process cannot be a cause for a delay. It could have far reaching effect on the buyers rate locks amongst other things.

I also might add that the bill does not address loan types that this would apply to. At this point it should only apply to conventional loans as Government loans already have guidelines in place to address the issues of appraisals that come in below sales price. The rules are specific and firm. I would be happy to discuss these further.

**Essentially if this bill passes , it will be effective for a short time only as circumstances have significantly changed by HUD since the bill was introduced and since the amendments became part of the bill. It will cause harm and delay to both Maryland homebuyers and sellers alike giving them false hope that a value could change unless a lender underwriter sees material defects in the appraisal report.**

**Additionally we have been advised that the Maryland Realtors who previously supported HB 1151 with Amendments, now oppose the bill until it agrees with all federal processes and guidelines which are up in the air.**

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