

## FORMAL TESTIMONY DOCUMENT

### MARYLAND GENERAL ASSEMBLY – WRITTEN TESTIMONY

---

#### Written Testimony on SB 477 – Appraisal Bias Legislation

Submitted by: Barry L. Colen, SRA and Certified General Real Estate Appraiser

---

#### INTRODUCTION

I appreciate the opportunity to provide professional testimony regarding SB 477 and its implications for appraisal practice, valuation reliability, and market stability in Maryland.

As a Certified General Appraiser with extensive experience in residential and commercial valuation, I support the goal of ensuring fair and unbiased property valuations. However, I have significant concerns regarding the inaccurate **policy framework and underlying biased assumptions embedded in SB 477**, particularly its reliance on retrospective analysis.

---

#### **CORE ISSUE: RETROSPECTIVE VALUATION TWELVE YEARS**

SB 477 is premised on the idea that appraisal bias may not be detectable at the time of the appraisal and therefore requires extended timeframes—up to 12 years—for review and enforcement.

“If the objective is better/less-biased valuations, the solution is stronger process, better data, and transparency at the time of appraisal—not a 12-year retrospective framework that **introduces new forms of bias** as *hindsight, outcome, selection and defensive practice* and reduces reliability.” Bias can’t be overcome by MD State Government micromanaging the working process by introducing more bias. I have developed and taught the current and now required valuation bias and fair housing laws 7-hour class, so this x-ray vision perspective comes from application in the class/field. Increased fairness of outcome and reduced bias has been credibly addressed in the MD State Task Force on Appraisal Bias. Let it work—don’t smother it with regulatory intrusion.

An appraisal is, by definition, a **point-in-time opinion of value**, developed using data that is **known or reasonably knowable as of the effective date**. This standard is not only embedded in professional practice (USPAP), but also consistently upheld in courts across multiple areas of valuation law. “PAVE studies population patterns; SB 477 prosecutes individual decisions—and those require fundamentally different standards of proof.”

---

The MD Task Force for Appraisal Bias, of which I was a member, created and extended several working solutions including ROV process (reconsideration of value), data transparency and auto valuation modeling in the works (holdouts are Fannie Mae and Freddie Mac/GSEs), new bias training now and targeted enforcement with licensing board and of course USPAP ethics and performance standards (and violation causes hefty fines). A better SB477 model is Dodd-Frank which created forward looking compliance not backwards looking. It is tied to reasonable existing statutes of limitations not creating new unwieldy ones. I appreciate your consideration.

---

#### SIGNATURE



Barry L. Colen, SRA  
Certified General Appraiser