

March 6, 2026



Kriselda Valderrama, Chair
Lorig Charkoudian, Vice Chair
Economic Matters Committee
Maryland House of Delegates
House Office Building, Room 231
6 Bladen St.
Annapolis, MD 21401

RE: Opposition to HB 1299

Dear Chair Valderrama, Vice Chair Charkoudian and honorable members of the Economic Matters Committee:

The following comments are submitted on behalf of the members of the Real Estate Valuation Advocacy Association ([REVA](https://www.revaa.org)) in opposition to HB 1299.

REVA is a national trade group representing appraisal management companies (AMC), lenders, and residential real estate valuation providers. Many REVA members also develop and offer innovative technologies and valuation services such as evaluations, Broker Price Opinions (BPOs), Property Data Reports (PDRs), and Automated Valuation Models (AVMs). AMCs are licensed in compliance with federal minimum standards by the Maryland Commission of Real Estate Appraisers, Appraisal Management Companies and Home Inspectors.

We recognize and value the importance of fair and accurate property valuations for all. REVA actively participated in the federal Property Appraisal and Valuation Equity (PAVE) task force that recommended the concept of Reconsideration of Value (ROV) and supported the adoption by the Federal Housing Agency (FHA), Federal Housing Finance Agency (FHFA), Fannie Mae, and Freddie Mac. Although ROV policy was rescinded for FHA, Fannie Mae and Freddie Mac guidance is still in place.

New Federal Bill Requires Agencies Confirm Lenders Have ROV Policies, Making HB 1299 Unnecessary

Congress is wrapping up work on a landmark bipartisan housing package, which is expected to advance rapidly and be enacted soon. The House of Representatives has already approved H.R. 6644, known as the 21st Century Housing Act, and the Senate is currently reviewing it.

An [amendment from Senator Tim Scott and Senator Elizabeth Warren](#) will be integrated into H.R. 6644 to include several housing priorities for the Senate from The ROAD to Housing Act, which passed the Senate in 2025. Among these revisions is Section 704, which mandates the following:

The Secretary of Agriculture, the Secretary of Veterans Affairs, the Commissioner of the Federal Housing Administration, and the Director of the Federal Housing Finance Agency shall each implement and maintain requirements that creditors of a federally backed mortgage loan have a review and resolution procedure for a consumer-initiated reconsideration of value or subsequent appraisal in connection with a consumer credit transaction secured by a consumer's principal dwelling.

REVA and many bank and non-bank mortgage lending organizations support the provision above becoming law. AMCs and lenders have long had informal ROV processes in place. They are already complying with the Fannie Mae and Freddie Mac guidance and were prepared to comply with the new FHA ROV requirement. Uniform federal guidance, as proposed in H.R. 6644, is the best course for this type of requirement as it is applied equally across the country on all residential transactions and does not create an additional unique state program.

AMCs and Lenders Cannot Legally Comply with the Requirements Proposed in HB 1299

REVA opposition to HB 1299 is because the requirements outlined in the bill would place appraisers, AMCs, and mortgage lenders in violation of federal Appraiser Independence Requirements (AIR), Fannie Mae and Freddie Mac Appraisal Independence Requirements and state policies prohibiting undue influence of appraisers in an appraisal. Compliance with these requirements is not optional.

HB 1299 Violates Federal Appraisal Independence Requirements

Federal Appraisal Independence Requirements, established by the Dodd-Frank Act, must be followed by lenders and their third-party agents (AMCs). Since HB 1299's process takes place during the appraisal, it would directly conflict with these federal guidelines.

On the other hand, the ROV process, which lenders, AMCs, and federal agencies have used, is permitted under AIR because it happens after the appraisal has finished.

15 USC §1639e. Appraisal Independence Requirements

(a) In general

It shall be unlawful, in extending credit or in providing any services for a consumer credit transaction secured by the principal dwelling of the consumer, to engage in any act or practice that violates appraisal independence as described in or pursuant to regulations prescribed under this section.

(b) Appraisal independence

For purposes of subsection (a), acts or practices that violate appraisal independence shall include-

- (1) any appraisal of a property offered as security for repayment of the consumer credit transaction that is conducted in connection with such transaction in which a person with an interest in the underlying transaction compensates, coerces, extorts, colludes, instructs, induces, bribes, or intimidates a person, appraisal management company, firm, or other entity conducting or involved in an appraisal, or attempts, to compensate, coerce, extort, collude, instruct, induce, bribe, or intimidate such a person, for the purpose of causing the appraised value assigned, under the appraisal, to the property to be based on any factor other than the independent judgment of the appraiser;*
- (2) mischaracterizing, or suborning any mischaracterization of, the appraised value of the property securing the extension of the credit;*
- (3) seeking to influence an appraiser or otherwise to encourage a targeted value in order to facilitate the making or pricing of the transaction; and*
- (4) withholding or threatening to withhold timely payment for an appraisal report or for appraisal services rendered when the appraisal report or services are provided for in accordance with the contract between the parties.*

(c) Exceptions

The requirements of subsection (b) shall not be construed as prohibiting a mortgage lender, mortgage broker, mortgage banker, real estate broker, appraisal management company, employee of an appraisal management company, consumer, or any other person with an interest in a real estate transaction from asking an appraiser to undertake 1 or more of the following:

- (1) Consider additional, appropriate property information, including the consideration of additional comparable properties to make or support an appraisal.
- (2) Provide further detail, substantiation, or explanation for the appraiser's value conclusion.
- (3) Correct errors in the appraisal report.

HB 1299 Violates Fannie Mae & Freddie Mac Appraisal Independence Requirements; Prohibits Loan Sales
Both [Fannie Mae](#) and [Freddie Mac](#) also have Appraisal Independence Requirements “that set forth standards to safeguard the independence, objectivity, and impartiality of appraisers and other Independent Parties throughout the valuation process for 1- to 4-unit residential properties.”

As proposed, the new process in HB 1299 violates Fannie Mae and Freddie Mac Appraisal Independence Requirements, making it impossible for a mortgage lender to sell a home loan if this new method is used.

Federal Law Prohibits Lenders from Providing “Estimated Values” to Appraisers in a Refinance Transaction

HB 1299 mandates that “On receipt of this notice, a requestor or other interested party may submit additional market data or comparable sales data to the appraiser for the purpose of supporting the contract price or estimated value of the residential property.” For refinance transactions, federal law prohibits lenders from providing “estimated values” or “target values” to appraisers of the residential property.

HB 1299 Violates Maryland Law Prohibits Inappropriate Influence or Coercion

Per [§ 16-5B-11 \(Inappropriate influence or coercion prohibited\)](#):

(b) An employee, partner, director, officer, or agent of an appraisal management company may not influence or attempt to influence the development, reporting, result, or review of an appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or any other means, including:

(10) requesting that an appraiser provide:

(i) an estimated, predetermined, or desired valuation in an appraisal report; or

(ii) estimated values or comparable sales at any time before the appraiser's completion of an appraisal;

(11) except for a copy of the sales contract for purchase transactions, providing to an appraiser an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower

HB 1299 Violates Maryland AMC Law Requiring Adherence to Appraisal Independence Requirements

Per [§ 16-5B-03. Registration required before providing appraisal management services](#):

(8) a certification that the person seeking registration will require appraisals to be conducted independently as required by the appraisal independence standards under Section 129E of the Truth in Lending Act, including the requirements of payment of a reasonable and customary fee to appraisers when the appraisal management company is providing services for a consumer credit transaction secured by the principal dwelling of a consume

HB 1299 Creates Significant Operational and Technical Challenges

In addition to the points above, there are several operational and technical challenges.

- Most loan origination systems from lenders (LOS) do not pass the estimated value data on to their AMC. This means an AMC cannot pass this information on to an appraiser.
- If the appraisal was not complete, there can be no “change in the appraised value.” Therefore, the following terminology is incorrect: “If the additional information submitted to the appraiser did not result in a change in the appraised value the appraiser shall include in the addendum brief explanation describing why the information did not alter the estimated value of the residential real property.”
- If “lenders and AMCs shall monitor appraisals for compliance with communication process” then they must be included in the correspondence between the “point of contact and other interested parties.” The bill should be clear that the lender or AMC (client) are among the interested parties that must be included, along with the homeowner, realtor, or other person.
- The new review process is expected to add at least two extra days to the completion time for appraisals in Maryland. This extension will impact an appraiser’s turn-time metric, a key measure used by AMCs and lenders when assessing appraisers. If a Maryland appraiser’s vendor rating suffers as a result, it could lead to lost income—an issue not encountered by appraisers in other states.
- The inclusion of pending sales in the reconsideration process, contingent upon the availability of all contractual documentation, presents significant ethical, legal, and operational concerns related to the access and dissemination of this information among unrelated parties.
- HB 1299’s new process requires more time and research from the appraiser but does not provide for any additional compensation, which could prove problematic.

We appreciate the opportunity to contribute feedback. Please feel free to contact me with any questions; we look forward to ongoing collaboration.

Thank you,

Mark A. Schiffman

Mark Schiffman
Executive Director