



TESTIMONY IN SUPPORT OF SENATE BILL 817

TO: Chair Smith and Members of the Senate Judicial Proceedings Committee

FROM: Zachary Alberts, Director of Advocacy and Strategic Initiatives at the Center for Urban Families

DATE: March 9th, 2026

Good afternoon, my name is Zachary Alberts. I am the Director of Advocacy and Strategic Initiatives at the Center for Urban Families, a West Baltimore based workforce and family strengthening organization.

At CFUF, we operate a workforce development program focused on building the skills for un- and underemployed Baltimoreans in order to connect them to the workforce. Owning a home is one of the most common long-term motivators and goals our members have. Through years of hard work, budgeting, and sacrifice many of our members have been able to do so.

A 2022 analysis by the non-partisan Economic Policy Institute concludes that even “controlling for racial differences in education, experience, and the fact that black workers are more likely to live in lower-wage Southern states leaves an unexplained [wage] gap of 14.9%.” Put another way, that means the average black worker would have to work 15% more hours a week to afford the same house as the average white worker.

A 2025 report by the Abell Foundation found that houses in predominantly black Baltimore neighborhoods are almost twice as likely to be appraised below the sales price as those in predominantly white Baltimore neighborhoods. This means many of the members we serve must overcome systemic underinvestment in their education, the negative employment effects of mass incarceration, the systemic racism plaguing the hiring process, having to work extra hours to afford the same home as their white coworkers, only to purchase an asset whose value is likely to be eroded by even *more* systemic racism.

Research and guidance from companies like Fannie Mae and the Appraisers Institute point to several places in the Uniform Residential Appraisal Report where conscious and/or subconscious bias can occur:

Page 1: Neighborhood Description. A [briefing from Fannie Mae](#) shows their concerns that some appraisers' personal bias affects their description of the neighborhood. E.g. do not use phrases like "Desirable neighborhood," "Affordable neighborhood," or "Integrated community." [The Federal Housing Finance Agency found](#) examples of phrases used like "The most common language spoken is English. Other important languages spoken here include Italian and Spanish," "commercial strip featuring storefronts supplying Jewish Households" and "Noting an area's "decline in population,



which transitioned from being predominately Eastern European to having a substantial amount of Black and Hispanic people."

Page 1: Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.): this obviously requires an appraiser's judgment. Fannie has shown examples as to how this process can undermine the value of a house, e.g.:

Inaccurate Condition Ratings

CU contains MLS photos that can be used to validate quality and condition ratings. The appraiser rated the subject condition as C5, but based on photos (kitchen examples below), a higher rating is warranted. The appraiser made a \$37k downward adjustment to the comparable, but side by side comparison of the photos in CU shows that the two are equal condition and no adjustment is warranted. **Inaccurate condition ratings resulted in inappropriate condition adjustments for all comparables used in the report.**



Subject Property

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Appraisal Comparable Sale

Page 2: Selection of Comps: the appraiser has discretion as to which comps they choose for a home. While that process is not necessarily biased of course, it can allow a bias to creep in, e.g. visiting the home, seeing pictures of black families on the walls, and then choosing comps from primarily adjacent black enclaves (which, at least in Baltimore, have a history of price depression as a result of redlining and other systemic issues)

Page 2: Quality of Construction: this is again, another example where the appraiser must make a qualitative assessment, it is not simply recording quantitative data.

And the problem compounds. Each low appraisal becomes a comparable for the next one. It does not just hurt the individual homeowner; it suppresses the value of the entire neighborhood over time, with direct consequences for what families can borrow, refinance, and leave behind. Small wonder the wealth of the median white household is 6x higher than the median black household in Maryland.



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SB 817 creates an early warning and a formal opportunity for interested parties to submit additional comparable sales data before an appraisal is finalized. It requires the appraiser to document what was submitted and explain why it did or did not affect the outcome.

The people we serve work hard to get to homeownership. This bill helps ensure that when they get there, the system does not quietly work against them. We urge a favorable report.