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Legislative District 40



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Bill: Senate Bill 817

Title: Real Property - Residential Sales - Communications During Appraisal Process

Committee: Judicial Proceedings

Sponsor: Senator Antonio Hayes

Good afternoon, Chair, Vice Chair, and members of the Judicial Proceedings Committee,

For the record, I am Senator Antonio Hayes, and I am here to present **Senate Bill 817**. This legislation establishes a structured, transparent communication process during residential real estate appraisals to ensure that valuations are based on the most complete and accurate market data available.

In many real estate transactions, the appraisal is a "black box" moment. Buyers, sellers, and agents often wait anxiously, only to find out after the fact that an appraisal has come in lower than the contract price. Once a final report is submitted to a lender, it is incredibly difficult to correct, even if the appraiser inadvertently missed a relevant comparable sale or recent market data. This can cause transactions to fall through or force families to lower their selling price unnecessarily, devaluing their greatest asset.

Senate Bill 817 creates a standard "pause and review" mechanism—often referred to in the industry as a "Tidewater" initiative—that allows for data sharing *before* an appraisal is finalized.

Under this bill:

1. **Notification:** If an appraiser makes a preliminary determination that the value of a home may be less than the contract price (or estimated value for a refinance), they must notify the designated point of contact .

2. **Opportunity to Submit Data:** Upon receiving this notice, interested parties—such as the buyer, seller, or their agents—have **2 days** to submit additional market data or comparable sales to the appraiser . To ensure this is efficient for the appraiser, this data must be submitted in a standardized format similar to the comparable sales grid used in appraisal reports .
3. **Mandatory Consideration:** The appraiser is required to consider this timely submitted information before finalizing the report.
4. **Accountability:** The final appraisal must include an addendum summarizing the information received and explaining whether it impacted the final value. If the value did not change, the appraiser must provide a brief explanation of why the data did not alter the estimate .

Crucially, SB 817 explicitly states that participating in this communication process does not constitute pressure or coercion. However, it strictly prohibits using this process to pressure or intimidate an appraiser, preserving their independence while ensuring they have all the facts .

This bill improves the accuracy of home valuations and protects the equity of Maryland homeowners by ensuring appraisals reflect the full picture of the market.

This Act will take effect on October 1, 2026. I respectfully request a favorable report on Senate Bill 817.

Position: Favorable