

Maryland Written Testimony on SB 477 - Statute of

Uploaded by: Matthew Wood

Position: FAV



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FAVORABLE ON SENATE BILL 477

SB 477 - Civil Actions - Real Estate Appraisals - Statute of Limitations

Senate Judicial Proceedings Committee

February 12, 2026

The Appraisal Institute, the world's largest organization of professional real estate appraisers respectfully submits this written testimony in **strong support of Senate Bill 477**, which would provide Maryland's real estate appraisers with clarity regarding the time period during which they may be subject to civil lawsuits arising from appraisal services.

Under current law, claims against appraisers are subject to the discovery rule, meaning the statute of limitations does not begin to run until a claimant discovers or should have discovered an alleged defect in an appraisal. In practice, this can result in appraisers facing liability exposure many years, or even decades, after an appraisal was completed. As a result, appraisers effectively operate under an indefinite statute of limitations, even though the appraisal itself reflects a professional opinion of value as of a specific date in time.

In many cases, alleged defects in appraisals are not identified until a mortgage loan defaults. At that point, the party holding the loan may scrutinize the appraisal for potential issues and attempt to attribute the loss to the appraiser. These claims are frequently based on minor or technical deviations from professional standards and are often framed as professional negligence, misrepresentation, or malpractice. However, loan defaults are commonly caused by factors unrelated to the appraisal, such as job loss, divorce, changes in interest rates, or broader market declines.

Professional standards require appraisers to retain their work files for a set period of time. After that period expires, records are typically and appropriately destroyed. If a lawsuit is filed years later, the appraiser may no longer have access to the documentation necessary to defend their work. Faced with escalating legal costs and an impaired ability to mount a defense, appraisers are often pressured to settle claims regardless of merit simply to avoid financial ruin.

It is also important to recognize that lenders are required to review appraisals at the time a loan is originated. A competent appraisal review process should identify any deficiencies when the appraisal is first submitted, not years later after a loan has failed for unrelated reasons.



Senate Bill 477 strikes a fair and appropriate balance. The bill establishes a two-year discovery period while also imposing an outside four-year limitation measured from the date the appraisal service was performed or should have been performed. This approach preserves the ability of legitimately aggrieved parties to pursue claims, while also ensuring that those claims are brought within a reasonable and predictable timeframe.

SB 477 has important safeguards. It does not apply where it is alleged that an appraiser committed fraud. In addition, SB 477 applies prospectively only, and it does not interfere with the authority of regulatory agencies to pursue administrative enforcement where warranted. Accountability is preserved; what the bill provides is certainty and fairness.

For small appraisal businesses, predictability in liability exposure is essential to managing risk, maintaining insurance coverage, and continuing to provide valuation services that Maryland's real estate and lending markets rely upon.

For these reasons, the Appraisal Institute respectfully urges the Senate Judicial Proceedings Committee to issue a **favorable report on Senate Bill 477**.

Thank you for your consideration.

SB 477 Written Testimony - JPR.pdf

Uploaded by: Mike McKay

Position: FAV

MIKE MCKAY
Legislative District 1
Garrett, Allegany, and Washington Counties



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Williamsport, Maryland

Senate Bill 477 – Civil Actions - Real Estate Appraisals - Statute of Limitations

February 12, 2026

Dear Chair Smith, Vice Chair Waldstreicher, and Members of the Committee,

Senate Bill 477 provides much-needed clarity and fairness by establishing a clear statute of limitations for civil actions related to real estate appraisals. By setting reasonable time limits—two years from discovery and no more than four years from the date the appraisal services were provided—the bill brings predictability to an area of law that currently lacks defined boundaries. This balanced framework protects consumers’ ability to seek redress while ensuring that claims are brought while evidence is still available and reliable.

Importantly, SB 477 preserves accountability by excluding cases involving fraud and by leaving existing administrative enforcement authority untouched. The bill aligns Maryland law with common-sense professional liability standards already applied in comparable contexts, reducing unnecessary litigation risk without shielding wrongdoing. By promoting stability in the real estate and lending markets and supporting the continued availability of qualified appraisal services, Senate Bill 477 advances both consumer protection and economic fairness.

I thank you for your time and I urge a favorable report.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike McKay'.

Senator Mike McKay
Representing the Appalachia Region of Maryland
Serving Garrett, Allegany, and Washington Counties

Appraisal Institute Favorable Testimony on SB 477.

Uploaded by: Scott DiBiasio

Position: FAV



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For these reasons, the Appraisal Institute respectfully urges the Senate Judicial Proceedings Committee to issue a **favorable report on Senate Bill 477**.

Thank you for your consideration.

Letter Favorable with Amendments SB 477 2026.pdf

Uploaded by: Alita-Geri Carter

Position: FWA



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February 10, 2026

Dear Chairman Smith, Vice Chair Waldstreicher, and Honorable Members of the Committee,

RE: SUPPORT WITH AMENDMENTS – Senate Bill 477 (Civil Actions - Real Estate Appraisals)

Committee: Judicial

Position: FAVORABLE WITH AMENDMENTS

I am Alita-Geri Carter a former practicing pediatric nurse practitioner, disability rights advocate, and founder of Qualequity Access, LLC. I leverage data-driven strategies to champion equity and accessibility in healthcare and education. By focusing on the social determinants of health, including housing and wealth, I help dismantle the systemic barriers that prevent true quality of life.

I am writing to express my views on Senate Bill 477. While I recognize the importance of providing a stable regulatory environment for real estate appraisers, I urge the Committee to consider the significant implications this legislation has on home equity and the accumulation of wealth for Maryland residents.

Preserving Homeowner Equity For most Maryland families, a home is not just a shelter; it is their most significant financial asset and the foundation of their net worth. An inaccurate appraisal can result in thousands of dollars in "lost" equity, wealth that is essential for retirement, aging in place, funding education, or providing an inheritance to the next generation. When an appraisal is flawed, the homeowner is often unaware of the financial damage until they attempt a critical life milestone, such as a refinance or a sale.

Equitable Access to Justice The proposal to shorten the discovery period from three years to two years creates an unnecessary barrier to equity. Wealth accumulation is often a slow, long-term process. Latent errors in valuation may take years to surface. A shortened statute of limitations disproportionately impacts those who may not have the means to frequently monitor market fluctuations or hire independent reviewers. To ensure that all Marylanders have a fair opportunity to protect their primary investment, the discovery window should remain aligned with the state's standard three-year rule.

Balancing Liability and Protection While I support the establishment of a four-year statute of repose to provide professional certainty, it should not come at the expense of the homeowner's ability to recover lost wealth. We must ensure that in our effort to protect a professional class



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from "tail liability," we do not inadvertently strip Maryland families of the legal recourse necessary to defend their most vital path to financial stability.

I respectfully request that the Committee amend SB 477 to maintain a **three-year discovery period** while retaining the four-year absolute limit, thereby balancing professional stability with the protection of community wealth and equity.

Recommendation: **Favorable with Amendments**

Respectfully Submitted,

Alita-Geri Carter, MSN, DNP-C, CPNP-PC, BCPA

Resident, Howard County, MD