

National Reverse Mortgage Lenders Association

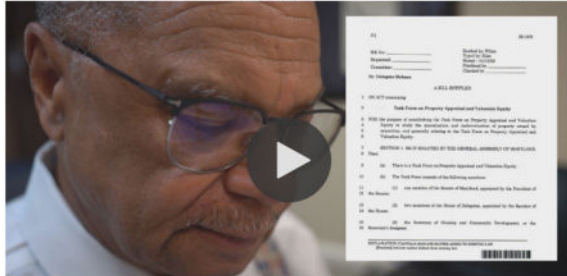
2023 Southern Regional Meeting

July 13, Austin, TX



WUSA9 investigation prompts appraisal bias legislation, now a leading issue in Maryland's gubernatorial race

Del. Marvin Holmes wants a task force created to examine appraisal bias complaints and recommend legislation



Fair housing and discrimination

The issue continues to make news, but are large numbers of appraisers being sued for alleged bias?

by Peter T. Christensen

Residential appraisal services are under give aggrieved parties



Pro-Tips: Appraisal Bias
Elly Johnson, All Reverse Pro
Erik Richard Morin, Atlas Valuation

Introduction



Objective: Beginning the conversation about appraisal bias

What do lenders and brokers need to know and what do they need to do about it.

- ❑ Special Task Force – PAVE
- ❑ CFPB/DOJ-Lawsuit

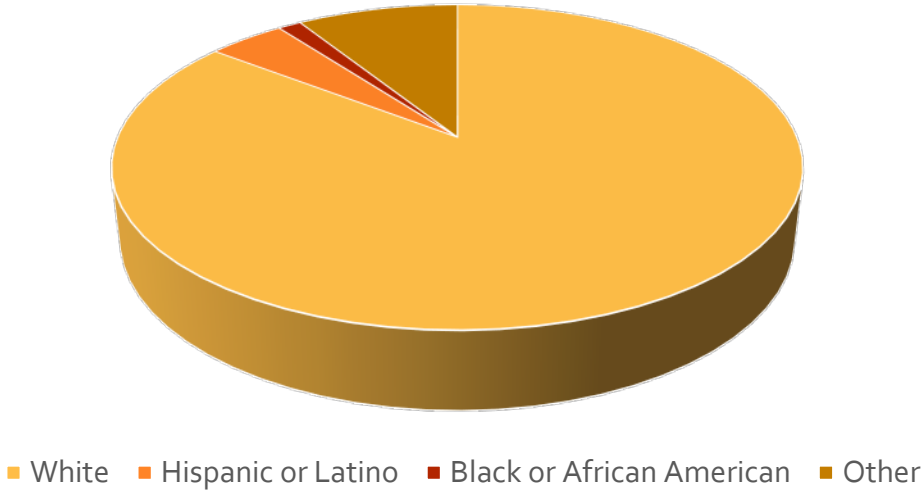
Understanding Appraisal Bias

- Definition of Appraisal Bias: Appraisal bias is discrimination in the appraisal process, such as assigning a lower value to a home because of the race or ethnicity of the person who lives there.
- The Big Picture conversation around bias
- How it impacts our daily business

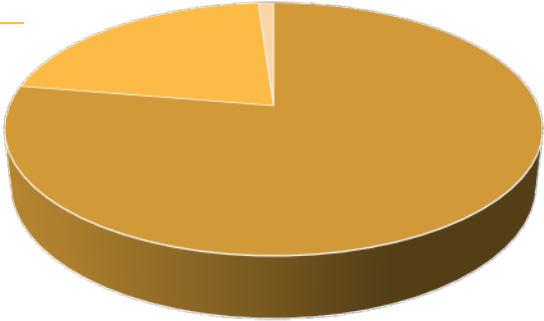


Appraiser Demographics

Ethnicity

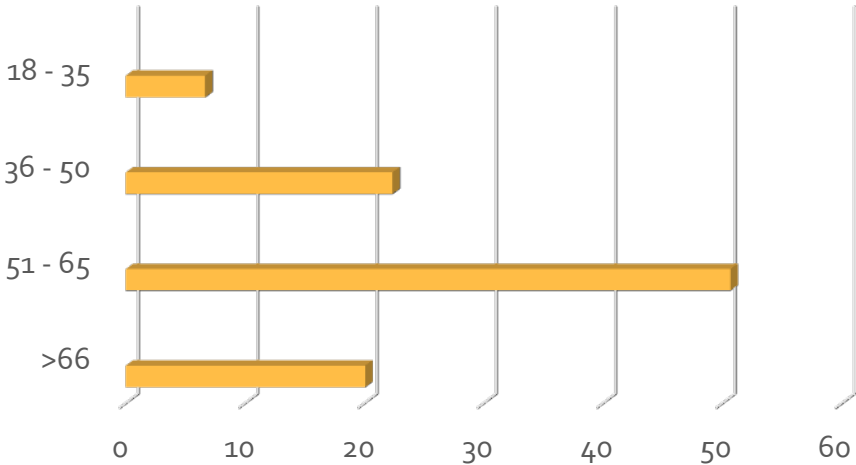


Gender



Male Female Not Disclosed

Age



Pro Tips

- Educate borrowers on the appraisal process and value is determined
- Make sure your appraisal process (internal or AMC) is tuned into the bias conversation
- Have a “Response Plan” developed and in place in advance.
- Report any findings of bias to regulatory agency.....at the right time.



Pro Tips

- Links:
- [https://www.hud.gov/press/press_releases_media_advisories/HUD No 23 107](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_23_107)
- <https://www.consumerfinance.gov/about-us/blog/protecting-homeowners-from-discriminatory-home-appraisals/>

