



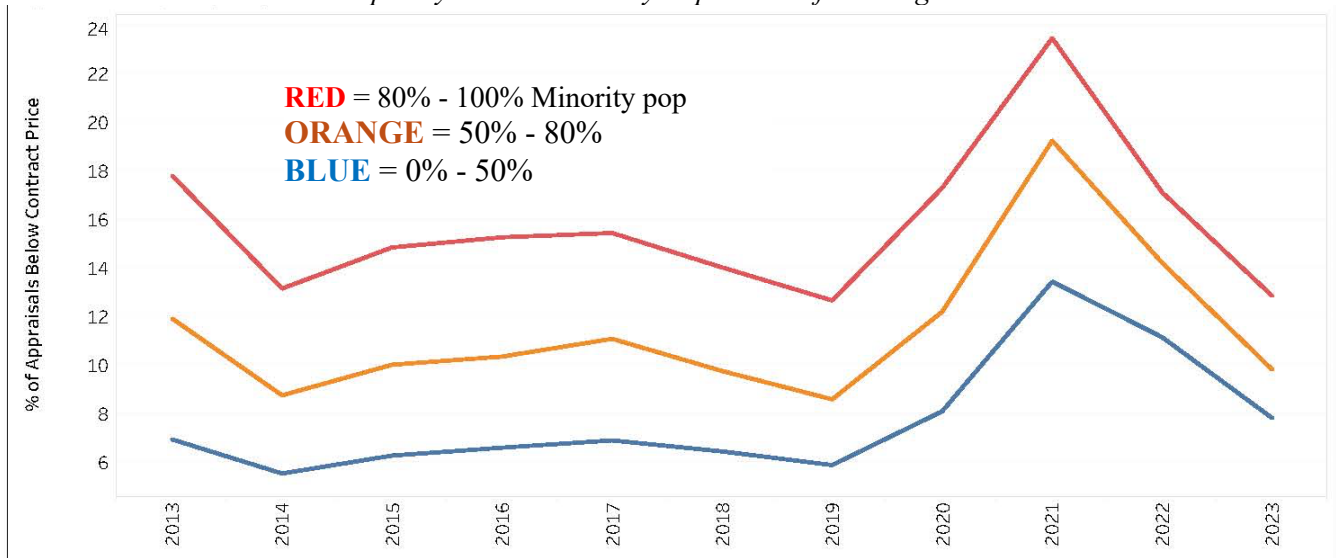
## Appraisal Modernization Act

Housing appraisals are supposed to provide an objective estimate of a home's market value to ensure homebuyers pay a fair price while homeowners receive the full value of their home. **Unfortunately, systemic bias in the appraisal process has disadvantaged families of color for far too long.**

*"This is Real Money, Hurting Real People." – Senator Warnock<sup>i</sup>*

For most Americans, the largest driver of wealth is their home, making it critically important to have accurate, unbiased home valuations. Instead, several studies have identified a clear relationship between lower valuations and Black neighborhoods, revealed race was considered in the appraisal process, and concluded that White borrowers' homes were consistently overvalued, but especially so in Black neighborhoods.<sup>ii</sup> There have also been several high-profile incidents of Black or Latino families receiving a higher appraisal after "whitewashing" their home.<sup>iii</sup> Biased appraisals have real world consequences: today, Black and Latino families have considerably less wealth than White families. White families on average hold \$1.3 million in wealth, compared to \$211,000 for Black and \$227,000 for Latino families.<sup>iv</sup>

**Percentage of Single-Family Home Appraisals Below Contract Price**  
*Grouped by Percent Minority Population of the Neighborhood*



*Source: FHFA Uniform Appraisal Data*

To combat appraisal biases faced by many current and aspiring homeowners, and to ensure a more consistent home valuation market, the *Appraisal Modernization Act* would:

1. Increase transparency in the appraisal process to support oversight and enforcement against bias by requiring the Federal Housing Finance Agency (FHFA) to publish an online database of property-level appraisal and other home valuation data that lenders collect in connection with a mortgage application.
  - **Represents minimal burden for lenders.** This data collection would be a minimal burden for lenders who have [long provided](#) this data to the secondary market and for internal collateral risk mitigation.
  - **Provides valuable insights to minimize appraisal bias.** This appraisal data would provide valuable insights to consumers, advocates, agencies, lenders, appraisal management companies, and appraisers to identify, address, and prevent potential appraisal bias as well as modernize the valuation process.
  - **Guards consumer privacy.** FHFA could modify the public data to protect consumer privacy.
  - **Codifies an existing practice.** FHFA [already](#) publishes aggregated appraisal and home valuation data. This bill just adds public disclosure and individual-level information to provide more meaningful insights for both business interests and fair housing enforcement purposes.
2. Codify a consumer's right to appeal a home valuation (also known as a Reconsideration of Value (ROV)) or request a second appraisal by requiring lenders to have standardized policies to ensure consistent treatment of consumers who request an ROV or second appraisal.
  - **Protects Consumers.** Empowers ALL consumers who suspect their home appraisal is deficient, inaccurate, or biased to request a reconsideration of value or second appraisal.
  - **Represents minimal burden for lenders.** Most responsible lenders believe ROV is an [important part of maintaining the integrity of the appraisal process](#) and already have a standardized process that follows the guidance issued by [Fannie Mae](#), [Freddie Mac](#), and the federal financial regulators. Also, standardized processes are a critical part of any lender's Compliance Management System. This Act would also help reduce a lender's legal liability by clarifying that processing a consumer's request for a reconsideration of value does not conflict with the Appraiser Independence Rules.
  - **Ensure a standard consumer right to appeal.** FHA recently [withdrew](#) its guidance and some lenders are not covered by other guidance, so this Act would ensure that every consumer receives a fair right to appeal.

**Cosponsors:** The *Appraisal Modernization Act* is cosponsored by Senators Angela Alsobrooks (D-MD), Lisa Blunt Rochester (D-DE), Cory Booker (D-NJ), Andy Kim (D-NJ), and Elizabeth Warren (D-MA).

**Endorsements:** *National Fair Housing Alliance; National Association of Mortgage Brokers; Americans for Financial Reform; Connecticut Fair Housing Center; Consumer Action; Consumer Federation of America; Fair Housing Rights Center in Southeastern PA; Japanese American Citizens League; Long Island Housing Services; NAACP; NAACP Legal Defense and Educational Fund, Inc.; National Action Network (NAN); National Association of Social Workers; The National Coalition for Asian Pacific American Community Development (National CAPACD); National Community Reinvestment Coalition; National Community Stabilization Trust; National Consumer Law Center (on behalf of its low-income*

clients); *National Urban League*; NETWORK Lobby for Catholic Social Justice; New Jersey Citizen Action; New Jersey Institute for Social Justice; Reinvestment Fund; Rise Economy; *Southern Poverty Law Center*; *UnidosUS*; Affordable Housing Centers of Pennsylvania; Center for LGBTQ Economic Advancement & Research (CLEAR); City of Philadelphia; the Leadership Conference on Civil and Human Rights; National Association of Real Estate Brokers; National Coalition on Black Civil Participation; National Council of Negro Women; the Urban League of Greater Philadelphia.

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<sup>i</sup> *WATCH: Senator Reverend Warnock Pushes for Key Housing Commitments from President-elect Trump's Housing and Urban Development Nominee During Senate Banking Hearing*, Office of Reverend Raphael Warnock U.S. Senator for Georgia (Jan. 17, 2025), <https://www.warnock.senate.gov/newsroom/press-releases/watch-senator-reverend-warnock-pushes-for-key-housing-commitments-from-president-elect-trumps-housing-and-urban-development-nominee-during-senate-banking-hearing>.

<sup>ii</sup> *Reducing Valuation Bias by Addressing Appraiser and Property Valuation Commentary*, United States Federal Housing Finance Agency (Dec. 14, 2021), <https://www.fhfa.gov/blog/insights/reducing-valuation-bias-by-addressing-appraiser-and-property-valuation-commentary>.; Jonathan Rothwell and Andre Perry, *Biased Appraisals and the Devaluation of Housing in Black Neighborhoods*, Brookings Institution (Nov. 21, 2025), <https://www.brookings.edu/articles/biased-appraisals-and-the-devaluation-of-housing-in-black-neighborhoods>.; Jake Williamson and Mark Palim, *Appraising the Appraisal, a Closer Look at Divergent Appraisal Values for Black and White Borrowers Refinancing Their Home*, Fannie Mae (Feb. 2022), <https://www.fanniemae.com/media/42541/display>.

<sup>iii</sup> Debra Kamin, *Home Appraised With a Black Owner: \$472,000. With a White Owner: \$750,000*, The New York Times (Jun. 21, 2023), <https://www.nytimes.com/2022/08/18/realestate/housing-discrimination-maryland.html>.

<sup>iv</sup> *Greater Wealth, Greater Uncertainty: Changes in Racial Inequality in the Survey of Consumer Finances, Accessible Data*, Board of Governors of the Federal Reserve System (2023), <https://www.federalreserve.gov/econres/notes/feds-notes/greater-wealth-greater-uncertainty-changes-in-racial-inequality-in-the-survey-of-consumer-finances-accessible-20231018.htm#fig1>