

PUBLIC MEETING OF THE NEBRASKA REAL PROPERTY APPRAISER BOARD
Thursday, April 21, 2022, 9:00 a.m.
Nebraska Real Property Appraiser Board Office, First Floor, Nebraska State Office Building
301 Centennial Mall South, Lincoln, Nebraska

AGENDA

A. Opening 9:00 a.m.

B. Notice of Meeting (Adopt Agenda)

The Nebraska Real Property Appraiser Board will meet in executive session for the purpose of reviewing applicants for credentialing; applicants for appraisal management company registration; investigations; pending litigation, or litigation that is imminent as evidenced by communication of a claim or threat of litigation; and employee performance evaluation. The Board will exit executive session at 10:00 a.m. If needed, the Board will re-enter executive session at the conclusion of the public agenda items discussion to complete review of the above-mentioned items. The Board will not take action on agenda items C, D, E, and F until executive session is completed.

C. Credentialing as a Nebraska Real Property Appraiser 1-44

- 1. New Applicants for Certified General Credential through Reciprocity
 - a. CG22010R
- 2. New Applicants for Licensed Residential Credential through Education, Experience, and Examination
 - a. L22002
- 3. New Applicants for Certified General Credential through Education, Experience, and Examination
 - a. CG22005
- 4. Pending Applications
 - a. CR22001
 - b. CG21030
 - c. CR22002

D. Registration as an Appraisal Management Company

E. Consideration of Compliance Matters 1

- 1. Post-Board Action Matters
 - a. 21-05

F. Consideration of Other Executive Session Items 1

- 1. Personnel Matters

G. Welcome and Chair’s Remarks (Public Agenda 10:00 am)

H. Nebraska Accountability and Disclosure Commission Presentation

I. Board Meeting Minutes

- 1. Approval of March 17, 2022 Meeting Minutes 1-11

J. Director’s Report

- 1. Real Property Appraiser and AMC Counts and Trends
 - a. Real Property Appraiser Report 1-4
 - b. Temporary Real Property Appraiser Report 5
 - c. Supervisory Real Property Appraiser Report 6
 - d. Appraisal Management Company Report 7

2. Director Approval of Applicants	
a. Real Property Appraiser Report	8
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3. 2021-22 NRPAB Goals and Objectives + SWOT Analysis	10-12

K. Financial Report and Considerations

1. March Financial Report	
a. Budget Status Report	1-3
b. MTD General Ledger Detail Report	4-11
c. Financial Charts	12-14
2. Per Diems	

L. General Public Comments

M. Consideration of Education/Instructor Requests

N. Unfinished Business

1. Nebraska Secretary of State – Records Division Document Scanning Services Update

O. New Business

1. PAVE Action Plan to Advance Property Appraisal and Valuation Equity 1-58
2. New Temporary Assistant Attorney General Assignment – Lynn Melson

P. Legislative Report and Business

1. Current Legislation	1-11
2. Title 298	
3. Other Legislative Matters	
a. LR372	12

Q. Administrative Business

1. Guidance Documents	
2. Internal Procedural Documents	
3. Forms, Applications, and Procedures	
a. NRPAB United States Citizenship Attestation Form	1

R. Other Business

1. Board Meetings	
2. Conferences/Education	
3. Memos from the Board	
4. Quarterly Newsletter	
a. Spring 2022 Edition of The Nebraska Appraiser	1-9
5. Appraisal Subcommittee	
a. ASC Meeting: June 8, 2022	10
b. ASC December 8, 2021 Meeting Minutes	11-15
6. The Appraisal Foundation	
a. TAF April Newsletter	16-17
b. The Appraisal Foundation Statement on Biden Administration’s PAVE Plan	18-19
7. Association of Appraiser Regulatory Officials	
8. In the News	

S. Adjourn

**NEBRASKA REAL PROPERTY APPRAISER BOARD
NRPAB OFFICE MEETING ROOM, FIRST FLOOR
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

March 17, 2022 Meeting Minutes

Swearing in of new Board Member Kevin Hermsen took place prior to the start of the meeting.

A. OPENING

Chairperson Thomas Luhrs called to order the March 17, 2022 meeting of the Nebraska Real Property Appraiser Board at 9:00 a.m., in the Nebraska Real Property Appraiser Board meeting room located on the first floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

B. NOTICE OF MEETING

Chairperson Luhrs announced the notice of the meeting was duly given, posted, published, and tendered in compliance with the Open Meetings Act, and all board members received notice simultaneously by email. Publication of official notice of the meeting appeared on the State of Nebraska Public Calendar found at www.nebraska.gov on March 8, 2022. The agenda was kept current in the Nebraska Real Property Appraiser Board office and on the Board's website. In accordance with the Open Meetings Act, at least one copy of all reproducible written material for this meeting, either in paper or electronic form, was available for examination and copying by members of the public. The material in paper form was available on the table in a public folder, and the material in electronic form was available on the Board's website in Public Meeting Material (https://appraiser.ne.gov/board_meetings/). A copy of the Open Meetings Act was available for the duration of the meeting. For the record, Board Members Thomas Luhrs of Imperial, Nebraska, Wade Walkenhorst of Lincoln, Nebraska, Bonnie Downing of Dunning, Nebraska, and Kevin Hermsen of Gretna, Nebraska were present. Also present were Director Tyler Kohtz, Business and Licensing Program Manager Allison Nesper, and Business and Education Program Manager Katja Duerig, who are all headquartered in Lincoln, Nebraska. Board Member Cody Gerdes of Lincoln, Nebraska was absent and excused.

ADOPTION OF THE AGENDA

Chairperson Luhrs reminded those present for the meeting that the agenda cannot be altered 24 hours prior to the meeting except for emergency items according to the Open Meetings Act. Board Member Downing moved to adopt the agenda as printed. Board Member Walkenhorst seconded the motion. With no further discussion, the motion carried with Walkenhorst, Downing, Hermsen, and Luhrs voting aye.

Board Member Walkenhorst moved that the Board go into executive session for the purpose of reviewing applicants for credentialing; applicants for appraisal management company registration; investigations; pending litigation, or litigation which is imminent as evidenced by communication of a claim or threat of litigation; and employee performance evaluation. A closed session is clearly necessary to prevent needless injury to the reputation of those involved. Board Member Downing seconded the motion. The time on the meeting clock was 9:04 a.m. The motion carried with Walkenhorst, Downing, Hermsen, and Luhrs voting aye.

Board Member Downing moved to come out of executive session at 10:21 a.m. Board Member Walkenhorst seconded the motion. The motion carried with Walkenhorst, Downing, Hermsen, and Luhrs voting aye.

Break from 10:21 a.m. to 10:30 a.m.

G. WELCOME AND CHAIR'S REMARKS

Chairperson Luhrs welcomed all to the March 17, 2022 meeting of the Nebraska Real Property Appraiser Board. The Chairperson indicated that one member of the public was present, and moved on to approval of the minutes.

H. BOARD MEETING MINUTES

1. APPROVAL OF FEBRUARY 17, 2022 MEETING MINUTES

Chairperson Luhrs asked for any additions or corrections to the February 17, 2022 meeting minutes. With no discussion, Chairperson Luhrs called for a motion. Board Member Walkenhorst moved to adopt the February 17, 2022 meeting minutes as presented. Board Member Downing seconded the motion. Chairperson Luhrs recognized the motion and asked for any discussion. With no discussion, Chairperson Luhrs called for a vote. The motion carried with Walkenhorst, Downing, Hermsen, and Luhrs voting aye.

I. DIRECTOR'S REPORT

1. REAL PROPERTY APPRAISER AND AMC COUNTS AND TRENDS

a. Real Property Appraiser Report

Director Kohtz presented seven charts outlining the number of real property appraisers as of March 17, 2022 to the Board for review. The Director reported that there were no changes in trends and he had no comments. The Director asked for any questions or comments. There was no discussion.

b. Temporary Real Property Appraiser Report

Director Kohtz presented three charts outlining the number of temporary credentials issued as of February 28, 2022 to the Board for review. The Director reported that he had no comments and asked for any questions or comments. There was no discussion.

c. Supervisory Real Property Appraiser Report

Director Kohtz presented two charts outlining the number of supervisory real property appraisers as of March 17, 2022 to the Board for review. The Director reported that he had no comments and asked for any questions or comments. There was no further discussion.

d. Appraisal Management Company Report

Director Kohtz presented two charts outlining the number of AMCs as of March 17, 2022 to the Board for review. The Director reported that the trend remains steady. Director Kohtz indicated that he had no further comments and asked for any questions or comments. There was no discussion.

2. DIRECTOR APPROVAL OF APPLICANTS

a. Real Property Appraiser Report

Director Kohtz presented the Real Property Appraiser Report to the Board for review showing real property appraiser applicants approved for credentialing by the Director, and the real property appraiser applicants approved to sit for exam by the Director, for the period between February 8, 2022 and March 7, 2022. The Director asked for any questions or comments. There was no further discussion.

b. Appraisal Management Company Report

Director Kohtz presented the Appraisal Management Company Report to the Board for review showing appraisal management companies approved for registration by the Director for the period between February 8, 2022 and March 7, 2022. The Director asked for any questions or comments. There was no further discussion.

c. Education Activity and Instructors Report

Director Kohtz presented the Education Activities and Instructors Report to the Board for review showing education activities and instructors approved by the Director for the period between February 8, 2022 and March 7, 2022. The Director noted there were three activities approved in this period and asked for any questions or comments. There was no further discussion.

3. 2021-22 NRPAB GOALS AND OBJECTIVES + SWOT ANALYSIS

Director Kohtz presented the 2021-22 NRPAB Goals and Objectives and SWOT Analysis to the Board for review and provided a status update. The Director guided the Board to goals related to Laws, Rules, and Guidance Documents. Director Kohtz announced that LB707 was placed on select file on March 8, 2022, and reminded the Board that this is the Board's update bill. Director Kohtz reported that he had no other comments and asked for any questions or comments. There was no further discussion.

Director Kohtz concluded his report by welcoming new Board Member Kevin Hermsen to his first meeting. The Director thanked Board Member Hermsen for his time during the onboarding process, and said he looks forward to serving Board Member Hermsen. Board Member Hermsen stated that the orientation meeting was very helpful and time well spent.

J. FINANCIAL REPORT AND CONSIDERATIONS – MARCH 2022

1. APPROVAL OF FEBRUARY RECEIPTS AND EXPENDITURES

The receipts and expenditures for February were presented to the Board for review in the Budget Status Report. Director Kohtz brought attention to the February Postage Expense of \$250.58. The Director reported that this expense is higher than usual because it includes the post-expiration notice letters that went out on January 1, 2022. Next, a Data Processing Expense of \$169.87 was noted. Director Kohtz remarked that another issue was found in the January IMS Services bill, so payment was held while the issue was resolved with CIO. This is the reason why this expense is lower than usual for the month of February. Data Processing Expense will be higher than normal next month due to payment of two months bills. The Director then pointed out a Publication & Print Expense of \$552.61, which is a quarterly copy services expense. BLPM Nespor commented that this charge is for October through December 2021.

(Continued on page 4)

(Continued from page 3)

Director Kohtz moved on to a Dues & Subscription Expense of \$600.00. He reported that this represents payment of the Board's AARO membership for 2022. Finally, the Director guided the Board's attention to Board & Lodging under Travel Expenses. A \$32.14 credit is applied to correct a tax charge for the two Board Members' hotel rooms. When making the correction, the tax charge correction took place during the January billing cycle, while the reapplication of the room charges will be appear during the February billing cycle. Director Kohtz indicated that expenditures for the month of February totaled \$25,540.70, and the year-to-date expenditures for the fiscal year are \$224,207.11, which amounts to 53.62 percent of the budgeted expenditures for the fiscal year; 66.58 percent of the fiscal year has passed.

The Director turned the Board's attention to revenues and remarked that credentialing revenues are still strong. Director Kohtz reported that overall revenues for February were \$13,442.37, and that the year-to-date revenues for the fiscal year are \$306,996.33, which amounts to 86.90 percent of the projected revenues for the fiscal year. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz then brought attention to the MTD General Ledger for February. The Director noted that two entries are named, "NRPAB CG New Ovrpd to CG Renew." These entries show that \$5.00 was moved from CG new fees to CG renewal fees to place it under the correct account. Director Kohtz asked for any questions or comments. There was no further discussion.

Director Kohtz presented three graphs showing expenses, revenues, and cash balance. The Director once again pointed out the expenditures and revenues for the month of February for the Real Property Appraiser Program, which includes both the Appraiser Fund and the AMC Fund. The Director then remarked that the cash balance for the AMC Fund is \$348,992.13, the Appraiser Fund is \$433,671.49, and the overall cash balance for both funds is \$782,663.62. The Director asked for any questions or comments. There was no further discussion.

Board Member Downing moved to accept and file the February 2022 financial reports for audit. Board Member Hermsen seconded the motion. Chairperson Luhrs recognized the motion and asked for any discussion. With no discussion, Chairperson Luhrs asked for a vote. The motion carried with Walkenhorst, Downing, Hermsen, and Luhrs voting aye.

2. PER DIEMS

Director Kohtz requested a per diem payment in the amount of \$100.00 on behalf of Board Member Luhrs for representing the Board during an applicant informal conference on March 16, 2022. Board Member Downing moved to approve the per diem request for Board Member Luhrs. Board Member Walkenhorst seconded the motion. Chairperson Luhrs recognized the motion and asked for a vote. The motion carried with Walkenhorst, Downing, Hermsen, and Luhrs voting aye.

3. NEBRASKA SECRETARY OF STATE – RECORDS DIVISION ESTIMATE FOR DOCUMENT SCANNING SERVICES

Director Kohtz presented a memo from him to the Board concerning an estimate by the Secretary of State – Records Division for document scanning services. The Director reported that, for several years, Board staff has been moving all documents to electronic format. At this time, approximately 400 real property appraiser paper files remain. The Director remarked that full-time staff has been too busy to finish scanning these documents, and while temporary employees have aided in this process the last few years, it is still going slowly. According to the Director, BLPM Nespore researched the price for the Secretary of State’s Records Division to scan the files and conducted a test with two files. BLPM Nespore reported that the error rate for the test files was 1.03%. Director Kohtz declared that a 1.03% error rate is reasonable considering the complexity of the files. The estimate for the SOS to scan all the remaining real property appraiser paper files is \$4,500.00, said the Director. Chairperson Luhrs asked whether the files contain sensitive information. Director Kohtz indicated that the files do include the Social Security number and results for the national credentialing exam, however there would be no information related to enforcement in the files. Chairperson Luhrs expressed concern that the Board may need to produce files as part of a legal inquiry, and anything that is missed in the scanning of these paper files might have repercussions in that event. Director Kohtz said he was not concerned about this as these files are maintained but not currently relevant. The Director added that paper files have not been added to in more than four years, so the information is historic, not current. BLPM Nespore brought attention back to the error rate, and noted that she likely has a similar error rate to SOS when she scans the files herself, but she wouldn’t know because she does not go back and check her own work. Chairperson Luhrs inquired what happens to the paper files once they have been scanned. BLPM Nespore remarked that the files are returned to the agency, then they are shredded by a secure service in a separate step of the process. Board Member Walkenhorst asked if staff would do some sort of quality control review. Director Kohtz and BLPM Nespore indicated that they would do so if the Board asked. BLPM Nespore proposed reviewing one file for every fifty scanned to make sure they are acceptable. The Director commented that it takes BLPM Nespore approximately two hours to scan, save, and log each file, so compared to staff wages for the task, the \$10.00 per file is cost-effective. Director Kohtz asked for any other questions or comments. Board Member Downing moved to approve \$4,500.00 to have the remaining paper real property appraiser files scanned by Nebraska Secretary of State – Records Division. Board Member Walkenhorst seconded the motion. Chairperson Luhrs recognized the motion and asked for any discussion. With no discussion, Chairperson Luhrs called for a vote. The motion carried with Walkenhorst, Downing, Hermsen, and Luhrs voting aye.

Director Kohtz remarked that these files are not the same as what is held by the Secretary of State for the agency’s retention schedule. Those files will remain in retention until they timeout and can be destroyed by SOS.

K. GENERAL PUBLIC COMMENTS

Chairperson Luhrs asked for any public comments. Roger Morrissey indicated that he would like to ask a question about a bill during presentation of the legislative report. With no comments, Chairperson Luhrs moved on to Consideration of Education/Instructor requests. Roger Morrissey was the only member of the public present.

L. CONSIDERATION OF EDUCATION/INSTRUCTOR REQUESTS: No discussion.

M. UNFINISHED BUSINESS: No discussion.

N. NEW BUSINESS: No discussion.

O. LEGISLATIVE REPORT AND BUSINESS

1. CURRENT LEGISLATION

Director Kohtz presented the third legislative report of the current session to the Board for review. The Director provided a brief summary for each bill included in the report.

LB700 – This bill changes provisions relating to public retirement systems. Director Kohtz remarked that this bill was approved by the Governor on March 3, 2022.

LB706 – This is the Board’s bill to change provisions of the Real Property Appraiser Act. The Director informed the Board that the bill had been amended into LB707.

LB707 – This bill is a collection of banking and finance bills, including the Board’s bill to change provisions of the Real Property Appraiser Act. AM1859 replaced all original language in LB707 with the new language. Director Kohtz reported that it was placed on select file and will move to final reading soon.

LB709 – This bill was placed on general file with AM1936, which makes substantive changes to LB709 and incorporates provisions from two other bills; Senator Briese’s LB263 and Senator McCollister’s LB1153.

LB769 – This bill requires certain state employees to submit to fingerprinting and criminal history record checks. Director Kohtz indicated that this bill would not affect the agency as this bill as written but is being monitored in case an amendment pulls the Board in. It was placed on final reading on March 10, 2022.

LB892 – This bill changes provisions of the Nebraska Real Estate License Act. This bill was approved by the Governor on March 3, 2022.

LB908 – This bill provides additional requirements for virtual conferencing under the Open Meetings Act. The Director stated that AM1950 clarifies that LB908 shall not be in conflict with other statutory authorizations for virtual conferencing. LB908 was placed on general file.

LB1011 – This bill provides, changes, and eliminates provisions relating to appropriations. This is the State’s mid-biennium budget request bill that includes the Board’s request for additional appropriations due to employee position reclassification. Director Kohtz noted that this bill is currently on the agenda.

Director Kohtz asked for any questions or comments concerning the legislative report. Public member Roger Morrissey requested permission to speak. Chairperson Luhrs gave Mr. Morrissey the floor. Mr. Morrissey asked about LB179, which proposes to make county assessors an appointed position, rather than elected. Director Kohtz reported that the bill is still active, but it has been carried over into the second year of the two-year legislative period. Although it is an active bill, there has been no action and it will not move out of committee. Chairperson Luhrs asked who would appoint the assessors. Board Member Walkenhorst and BLPM Nespore indicated that the county board would be responsible for appointing the county assessor if this bill passes. A discussion took place about the benefits of having an appointed county assessor.

Director Kohtz asked for any other questions or comments. The Director requested that if there is a bill that is not included in the report that may be of importance to the Board, he be contacted to have it added to the list. There was no further discussion.

2. TITLE 298: No discussion.

3. OTHER LEGISLATIVE MATTERS

Director Kohtz asked the Board if it had any other legislative matters that it wished to discuss. There was no further discussion.

P. ADMINISTRATIVE BUSINESS: No discussion.

Q. OTHER BUSINESS

1. BOARD MEETINGS: No discussion.

2. CONFERENCES/EDUCATION: No discussion.

3. MEMOS FROM THE BOARD: No discussion.

4. QUARTERLY NEWSLETTER

a. Winter 2022 Edition of The Nebraska Appraiser

Director Kohtz presented the Winter 2022 Edition of The Nebraska Appraiser to the Board for consideration. The Director guided the Board's attention to page Q.2 and the article titled, "Should I Accept this Assignment? Appraisal Management Company Registration Requirements." The Director remarked that the Board had asked that he write a feature article concerning the application of AMC laws and regulations to real property appraisers. Director Kohtz asked if the Board had any questions or comments about this article. The Director Kohtz then moved on to page Q.6. He reported that the picture on this page is a placeholder that will be replaced with a picture of Board Member Hermsen being sworn in. The Director asked for any questions or comments. With no discussion, Board Member Walkenhorst moved to approve the Winter 2022 Edition of The Nebraska Appraiser as amended to include the photo of Board Member Hermsen. Board Member Downing seconded the motion. Chairperson Luhrs recognized the motion and asked for any discussion. With no discussion, Chairperson Luhrs called for a vote. The motion carried with Walkenhorst, Downing, Hermsen, and Luhrs voting aye.

5. APPRAISAL SUBCOMMITTEE

a. ASC State Off-Site Assessment

i. ASC Letter Concerning SOA of Nebraska’s Appraiser Regulatory Program

Director Kohtz presented the ASC Letter Concerning SOA of Nebraska’s Appraiser Regulatory Program to the Board for review. The Director reported that the ASC found no areas of potential risk during their assessment. The Director asked for any questions or comments. There was no discussion.

ii. ASC Letter Concerning SOA of Nebraska’s AMC Regulatory Program

Director Kohtz presented the ASC Letter Concerning SOA of Nebraska’s AMC Regulatory Program to the Board for review. The Director remarked that the ASC found that the agency had been collecting information from federally regulated AMCs beyond the authority of the AMC Rule. The Director stated that this has already been resolved on the reporting form, and the next step is to remove the authorizing language from Title 298. The Director reported that there were no other findings and asked for any questions or comments. There was no discussion.

b. Memo from the ASC – Validating PAREA and Practicum Course Experience

Director Kohtz presented a memo from the ASC titled, “Validating PAREA and Practicum Course Experience,” to the Board for review. The Director reported that, according to the ASC, states may rely on certificates of completion from the provider of an approved PAREA program or approved practicum course as validation of an applicant’s experience hours towards obtaining a credential. The Director asked for any questions or comments. There was no discussion.

c. Memo from the ASC – Federal Funds to Support Participation in PStAR Training

Director Kohtz presented a memo from the ASC titled, “Federal Funds to Support Participation in PStAR Training,” to the Board for review. The Director informed the Board that the ASC is providing federal funds for State regulators to participate in the upcoming Policy Statements and Appraisal Regulation (PStAR) training in San Antonio, Texas. The Director asked for any questions or comments. There was no discussion.

6. THE APPRAISAL FOUNDATION

a. TAF March Newsletter

Director Kohtz presented The Appraisal Foundation’s March newsletter to the Board for review. The Director reported that the ASB is embarking on a comprehensive review of the Ethics Rule. The Director expressed concern that this review may push back the approval date for a new version of USPAP. The Director asked for any questions or comments. There was no discussion.

b. TAF State Regulator Newsletter

Director Kohtz presented The Appraisal Foundation’s State Regulator newsletter to the Board for review. The Director noted that the AQB has received proofs of concept from six providers for PAREA programs, and TAF is hopeful that one module will be available in the second quarter of the year. The Director asked for any comments or questions. There was no further discussion.

- c. **Appraisal Standards Board Announces Comprehensive Review of Ethics Rule**
Director Kohtz presented a press release titled, “Appraisal Standards Board Announces Comprehensive Review of Ethics Rule,” to the Board for review. The Director reported that he had no comments and asked for any comments or questions. There was no further discussion.

- d. **Appraisal Standards Board USPAP Q&As**

- i. **2022-01: Affixing Another Appraiser’s Signature**

- Director Kohtz presented a USPAP Q&A from the Appraisal Standards Board. The Director indicated that an appraiser may not affix the signature of another appraiser without his or her consent, which must only be given on an assignment-by-assignment basis. The Director asked for any questions or comments. There was no discussion.

- ii. **2022-02: Using Rules of Thumb for Market Adjustments**

- Director Kohtz presented a USPAP Q&A from the Appraisal Standards Board. The Director reported that a “rule of thumb” does not meet the appraisal development requirements in USPAP, so it is not acceptable to use a “rule of thumb” to support conclusions associated with market condition adjustments. Chairperson Luhrs remarked that this is a good reminder and asked if this can be sent out to all Nebraska appraisers. Director Kohtz suggested adding a blurb about this in the next newsletter. The Chairperson agreed that this is a good way to share this information. The Director asked for any other questions or comments. There was no further discussion.

- 7. **ASSOCIATION OF APPRAISER REGULATORY OFFICIALS**

Director Kohtz presented, “Maxine Waters Letter to Secretary Fudge Concerning Racial Inequities in America’s Home Valuation System,” and the “AARO Response to Maxine Waters Letter,” to the Board for review. The Director indicated that Ms. Waters had received an email with troubling language sent from an appraiser to bias and discrimination researcher Dr. Elizabeth Korver-Glenn. Ms. Waters called for a full investigation into the incident. According to Director Kohtz, AARO responded to Ms. Waters’ letter. Chairperson Luhrs asked if there is anything that the Board needs to be concerned about. Director Kohtz remarked that fairness and anti-discrimination have been national topics in the appraisal industry lately, and the Board should simply be aware of the conversation at this time. Board Member Downing noted that these topics are covered in the current USPAP Update course, and other board members agreed. The Director mentioned that the course was rearranged to include two hours for diversity, equity, and inclusion. Chairperson Luhrs commented that the email from the appraiser is indeed troubling and “out there;” however, it does not represent the appraisal profession. Director Kohtz expressed agreement with the Chairperson. The Director asked for any questions or comments. There was no further discussion.

- 8. **IN THE NEWS:** No discussion.

C. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER

Chairperson Luhrs asked for motions on L22001R, CR22002, CR22001, and CG21030.

Board Member Walkenhorst moved to take the following action:

L22001R / Approve as Licensed Residential real property appraiser.

Board Member Downing seconded the motion. Chairperson Luhrs recognized the motion and called for a vote. Motion carried with Walkenhorst, Downing, Hermsen, and Luhrs voting aye.

Board Member Walkenhorst moved to take the following action:

CR22002 / Request clarification from supervisory real property appraiser regarding scope of supervisory appraiser's review for 770 hours of real property appraisal practice experience logged under their supervision.

Board Member Downing seconded the motion. Chairperson Luhrs recognized the motion and called for a vote. Motion carried with Walkenhorst, Downing, Hermsen, and Luhrs voting aye.

Board Member Walkenhorst moved to take the following action:

CR22001 / Request that applicant submit one or more supplemental real property appraisal practice experience logs evidencing completion of a minimum of 204 additional hours of real property appraisal practice experience in compliance with Chapter Two of Title 298 before July 1, 2022, and authorize staff to continue processing the application in accordance with Guidance Document 21-02 procedures.

Board Member Downing seconded the motion. Chairperson Luhrs recognized the motion and called for a vote. Motion carried with Walkenhorst, Downing, Hermsen, and Luhrs voting aye.

Board Member Walkenhorst moved to take the following action:

CG21030 / Request that applicant provide one additional report for a non-traditional client demonstrating the ability to extract supporting adjustments from the market in the sales approach and capitalization rates from the market in the income approach. Report to include all three value approaches, subject property to be income-producing property.

Board Member Downing seconded the motion. Chairperson Luhrs recognized the motion and called for a vote. Motion carried with Walkenhorst, Downing, Hermsen, and Luhrs voting aye.

D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY: No discussion.

E. CONSIDERATION OF COMPLIANCE MATTERS

Chairperson Luhrs asked for a motion for compliance matters. Board Member Walkenhorst moved to take the following action for the compliance matter listed:

21-05 / Authorize Special Assistant Attorney General Blake to file formal charges for violation of Neb. Rev. Stat. §§ 76-2237 and 76-2238 (12), (14).

Board Member Downing seconded the motion. Chairperson Luhrs recognized the motion and called for a vote. Motion carried with Walkenhorst, Downing, Hermsen, and Luhrs voting aye.

F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS: No discussion.

R. ADJOURNMENT

Board Member Downing moved to adjourn the meeting. Board Member Hermsen seconded the motion. Motion carried with Walkenhorst, Downing, Hermsen, and Luhrs voting aye. At 11:14 a.m., Chairperson Luhrs adjourned the March 17, 2022 meeting of the Real Property Appraiser Board.

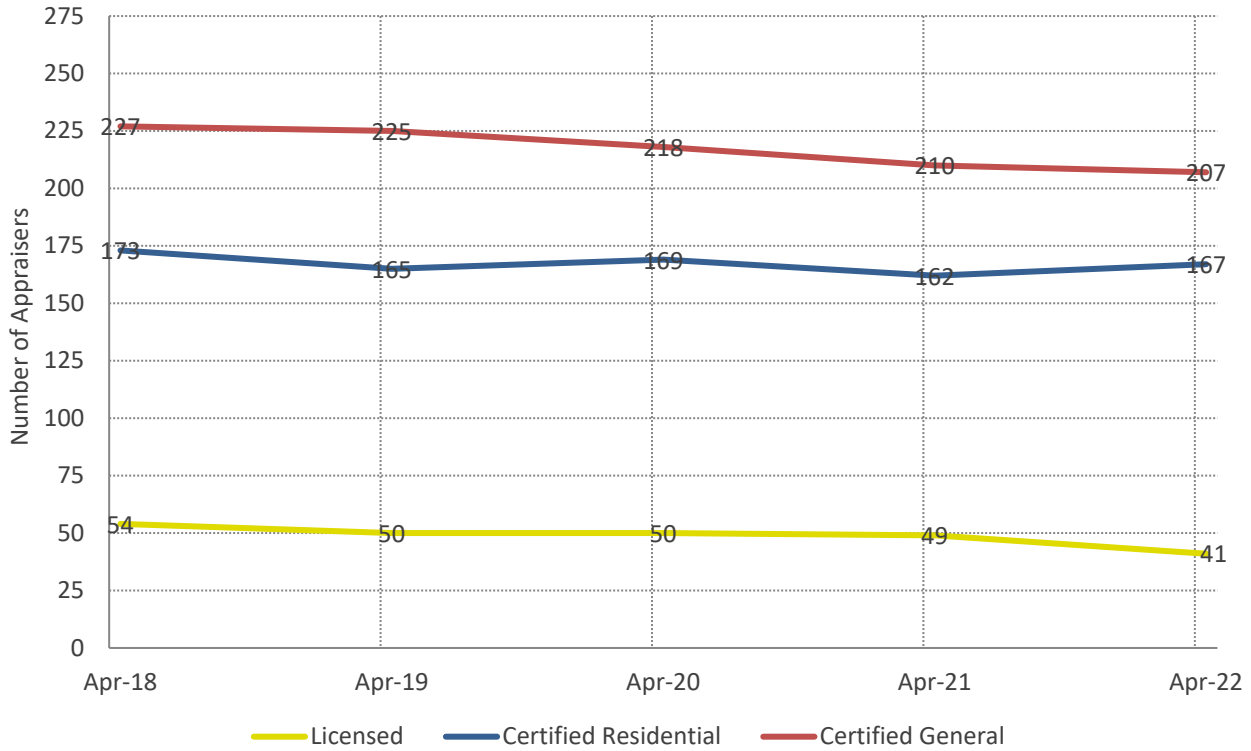
Respectfully submitted,

Tyler N. Kohtz
Director

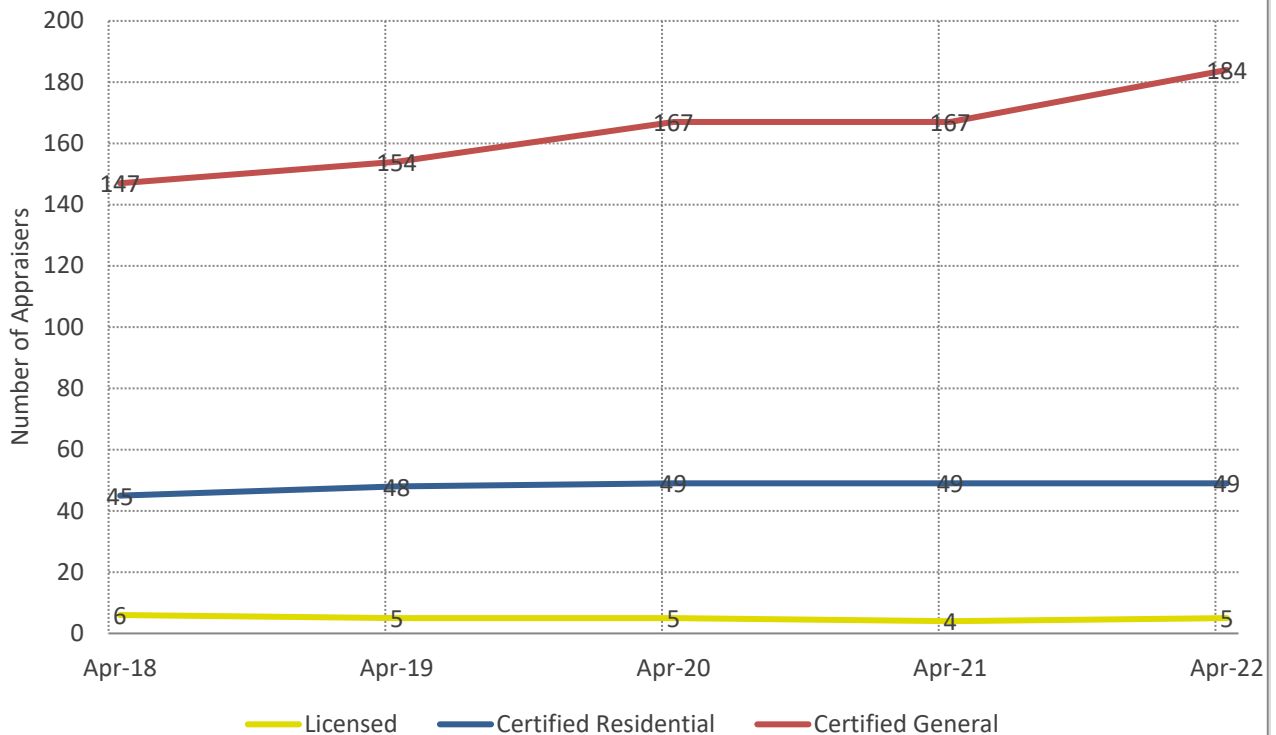
These minutes were available for public inspection on March 24, 2022, in compliance with Nebraska Revised Statute § 84-1413 (5).

Real Property Appraiser Report

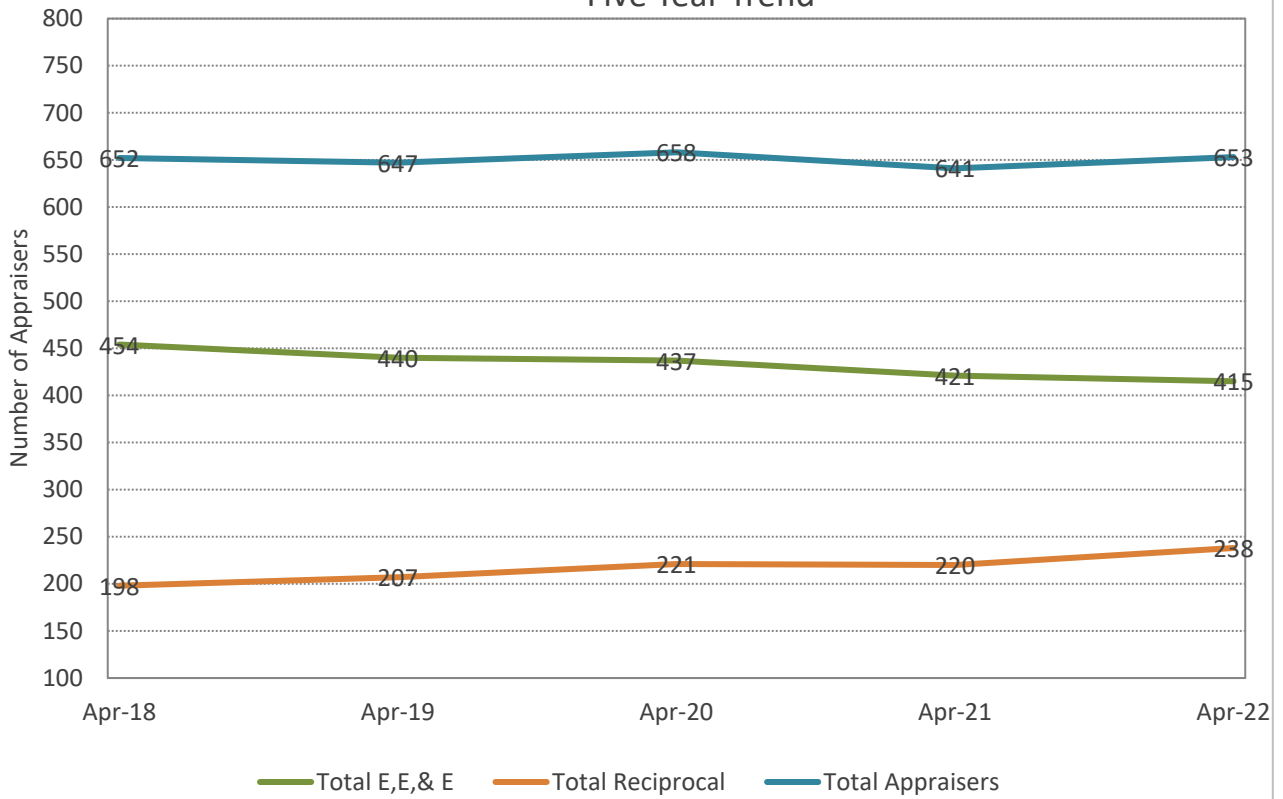
Real Property Appraisers Credentialed through Education, Experience, and Examination (not including Trainee) - Five Year Trend



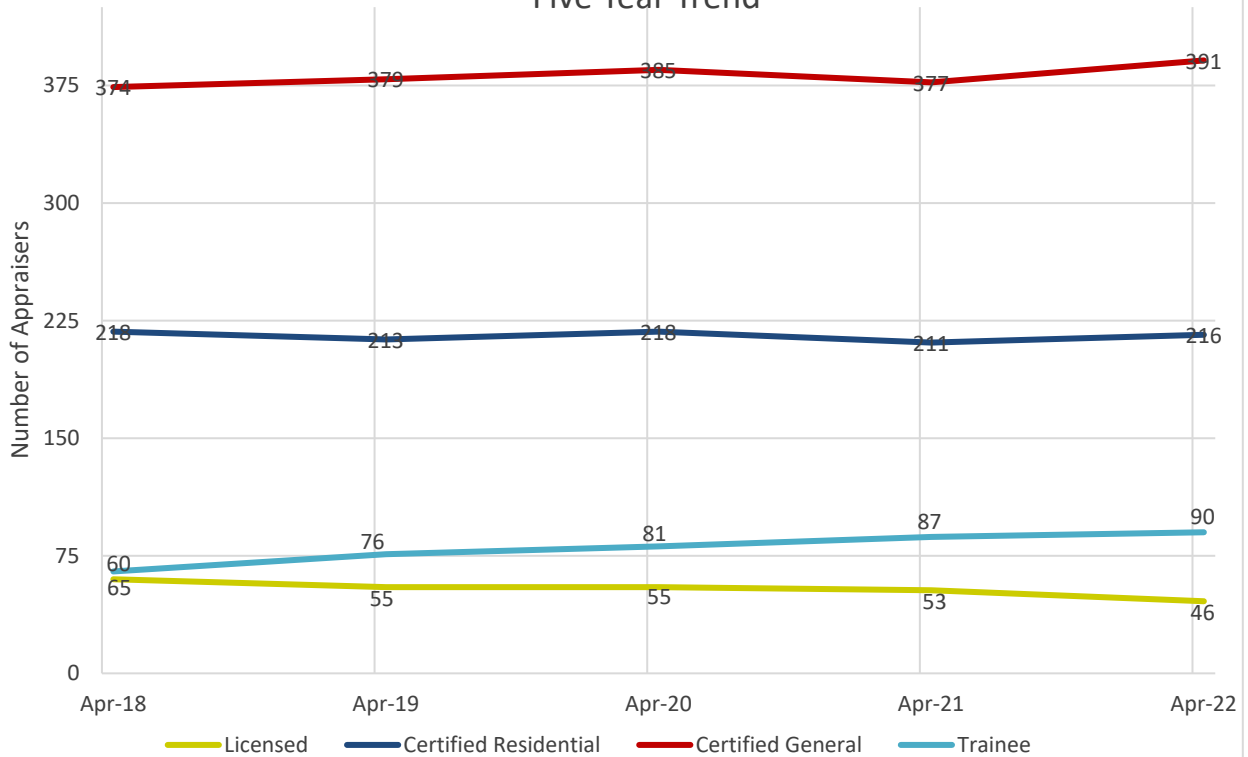
Real Property Appraisers by Classification Credentialed through Reciprocity - Five Year Trend



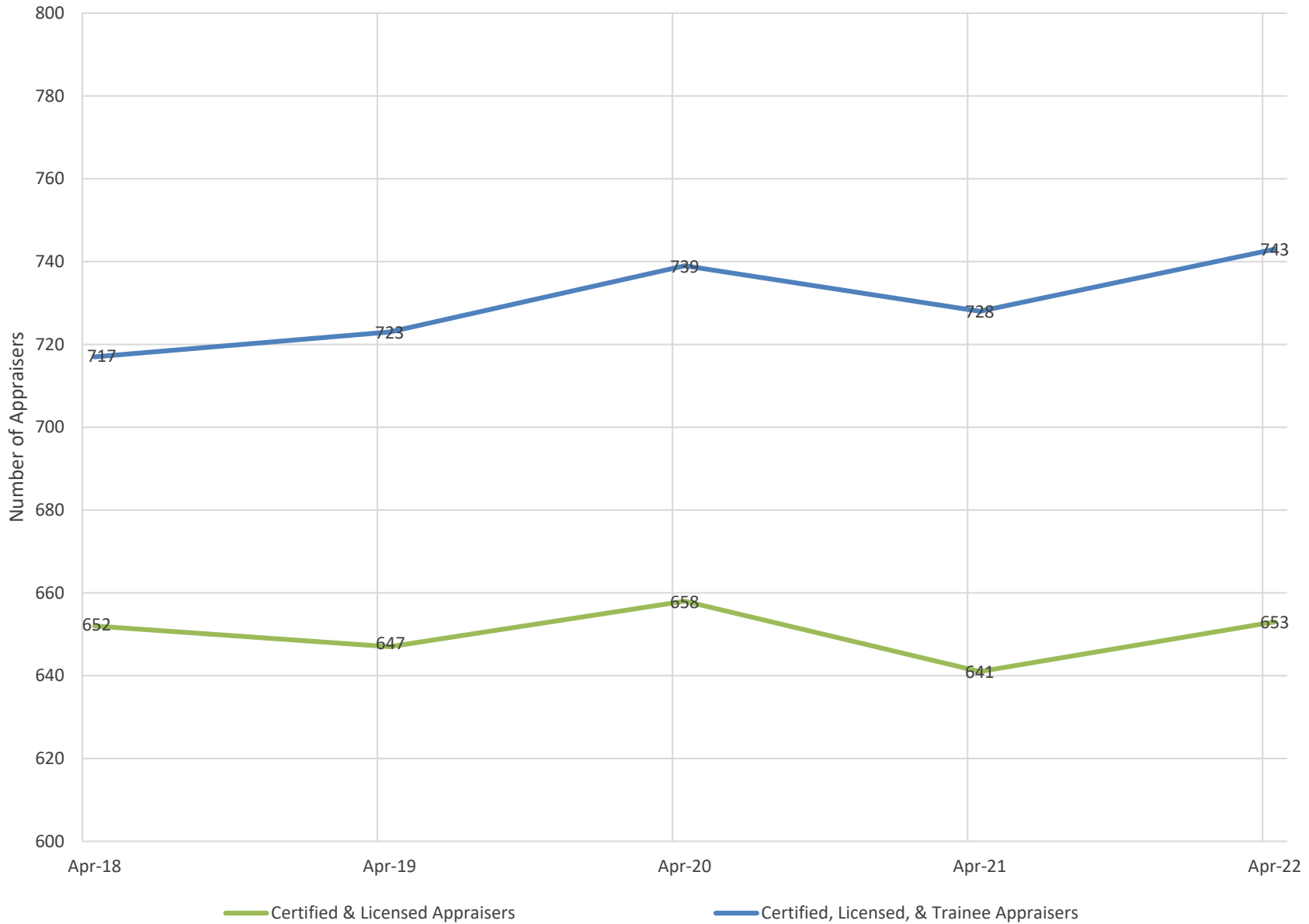
Total Real Property Appraisers (not including Trainee)
- Five Year Trend



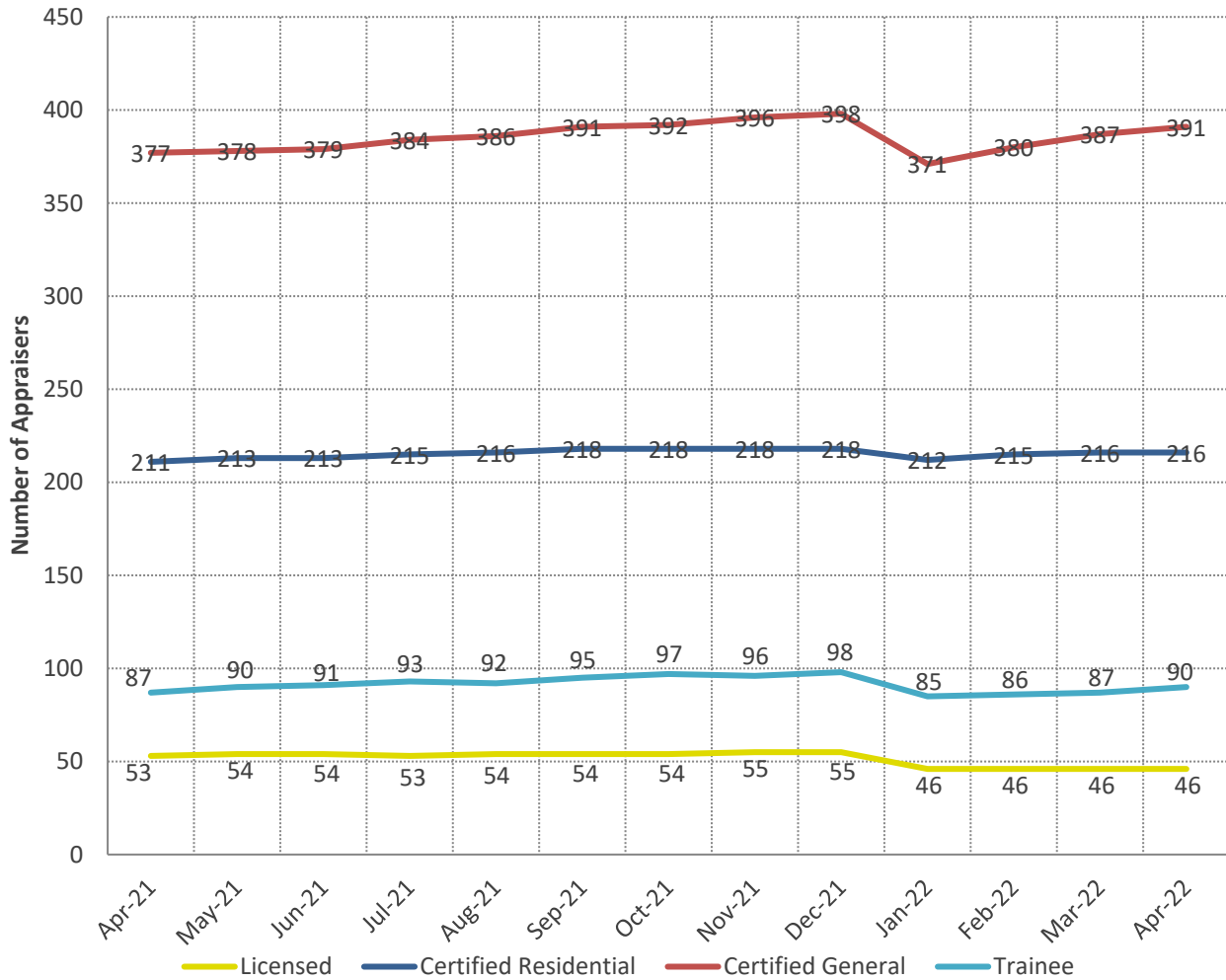
Total Real Property Appraisers by Classification -
Five Year Trend



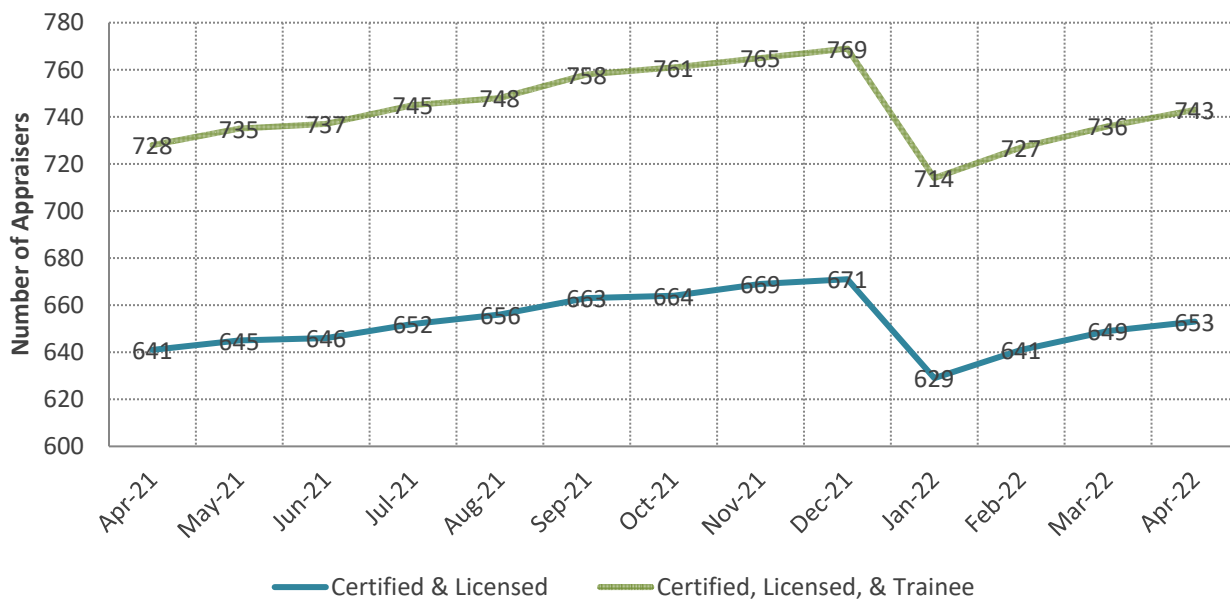
Total Real Property Appraisers - Five Year Trend



Real Property Appraisers by Classification - Thirteen Month Trend

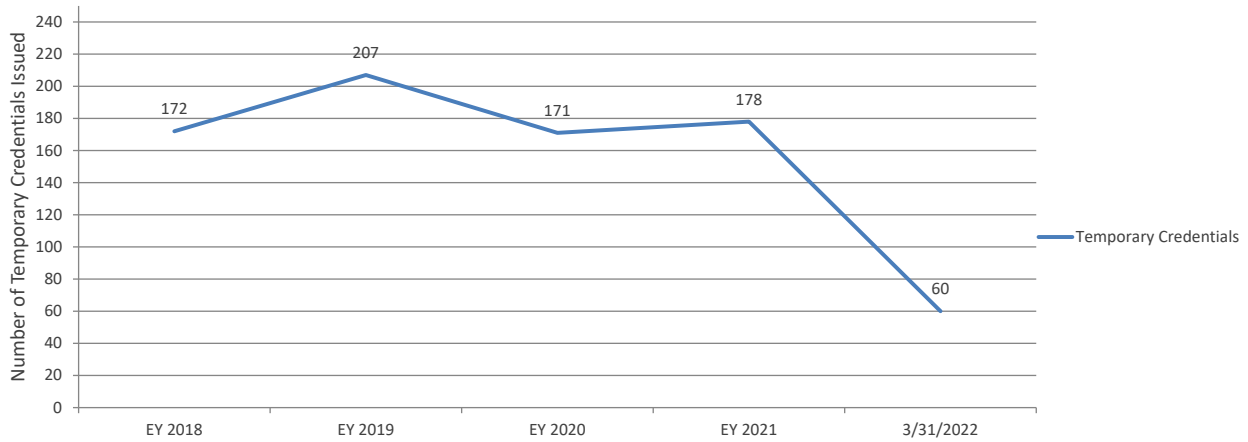


Total Real Property Appraisers - Thirteen Month Trend

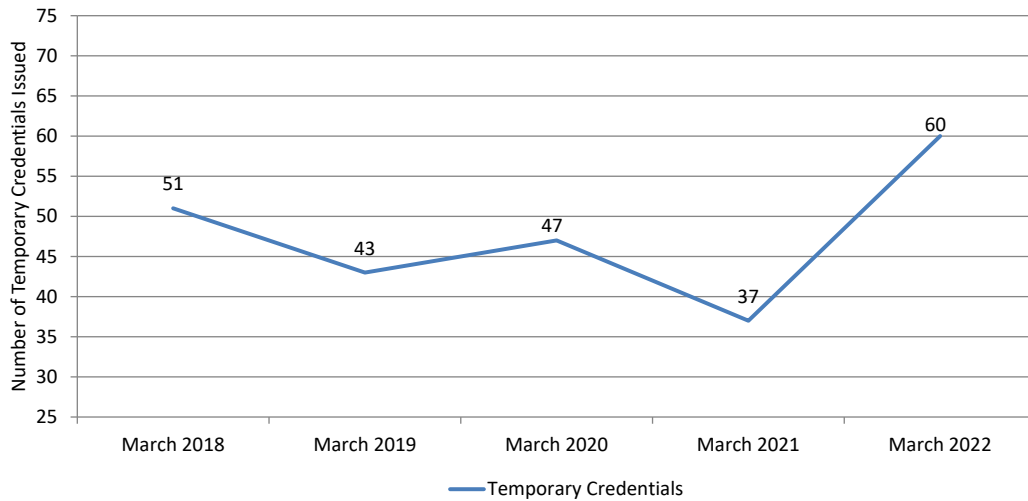


Temporary Real Property Appraiser Report

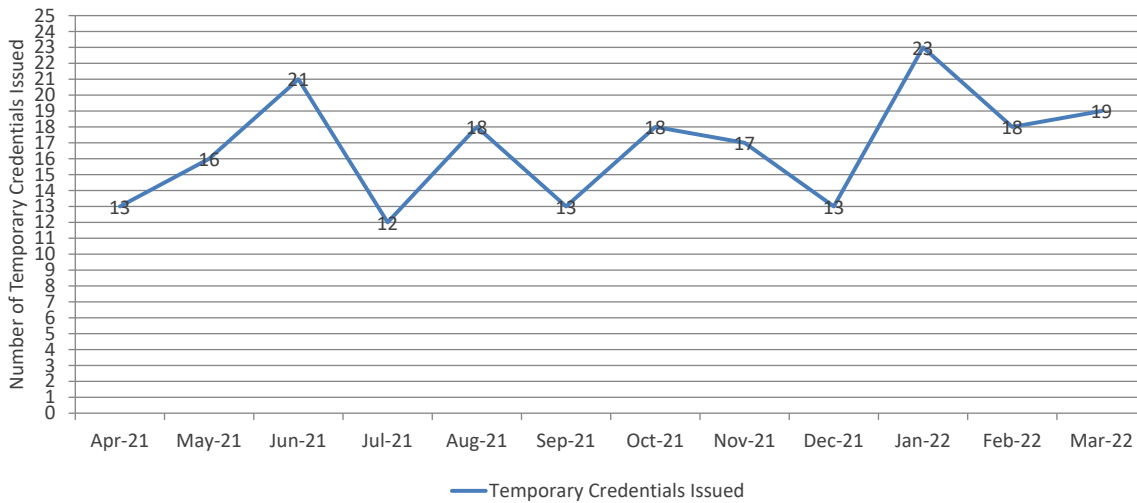
Temporary Real Property Appraiser Credentials Issued by Calendar Year - Five Year Trend



Year-to-date Temporary Real Property Appraiser Credentials Issued - Five Year Trend

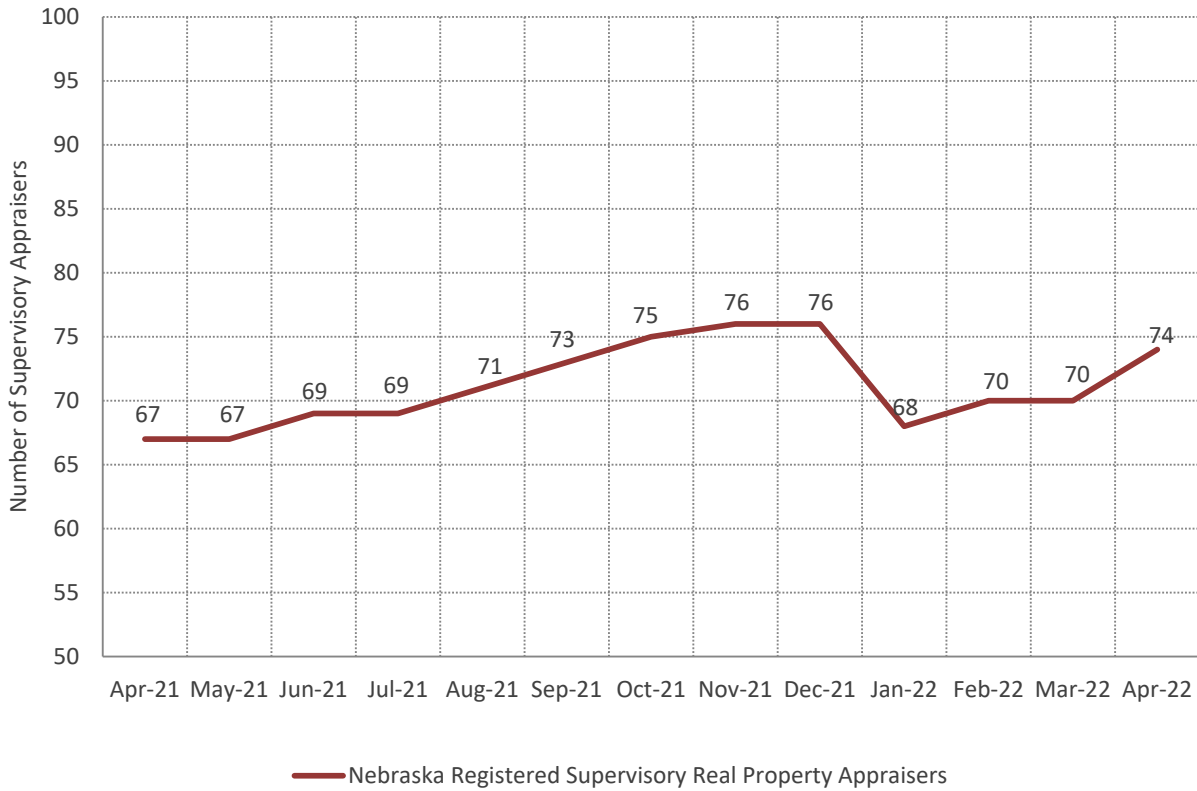


Temporary Real Property Appraiser Credentials Issued by Month - Twelve Month Trend

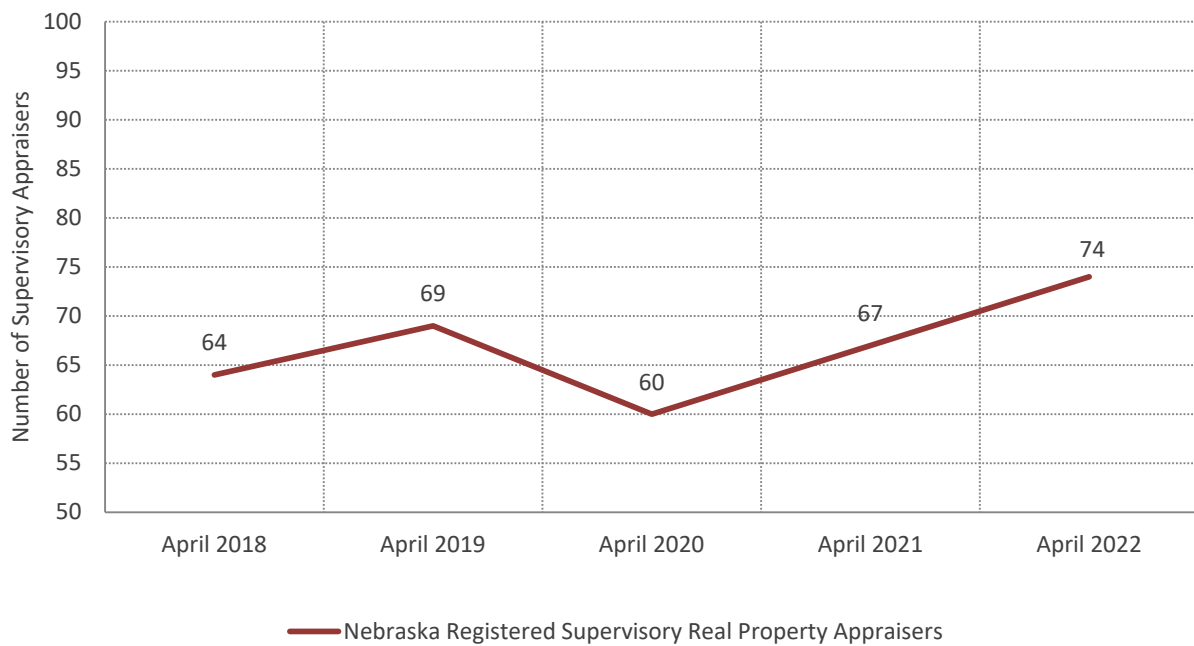


Supervisory Real Property Appraiser Report

Registered Supervisory Real Property Appraisers - Thirteen Month Trend

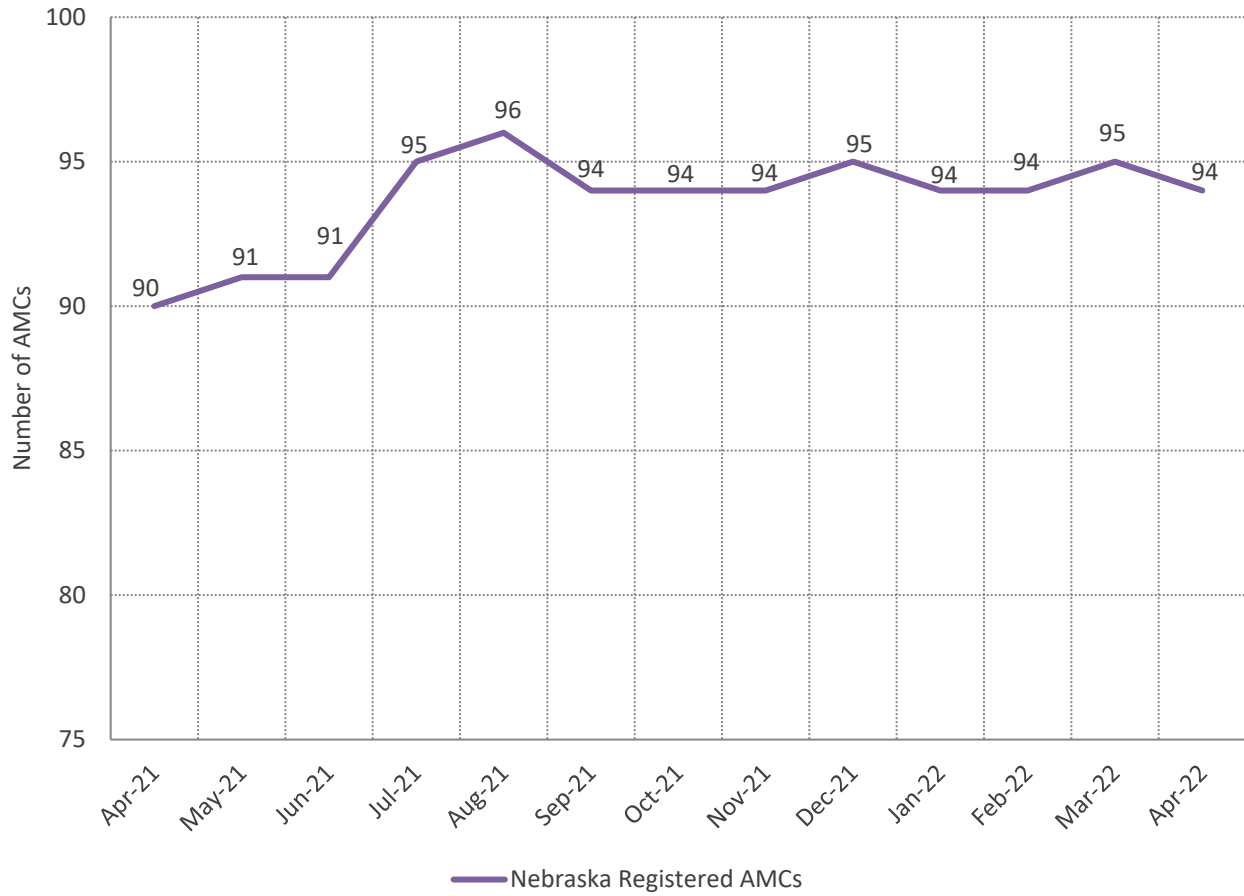


Registered Supervisory Real Property Appraisers - Five Year Trend

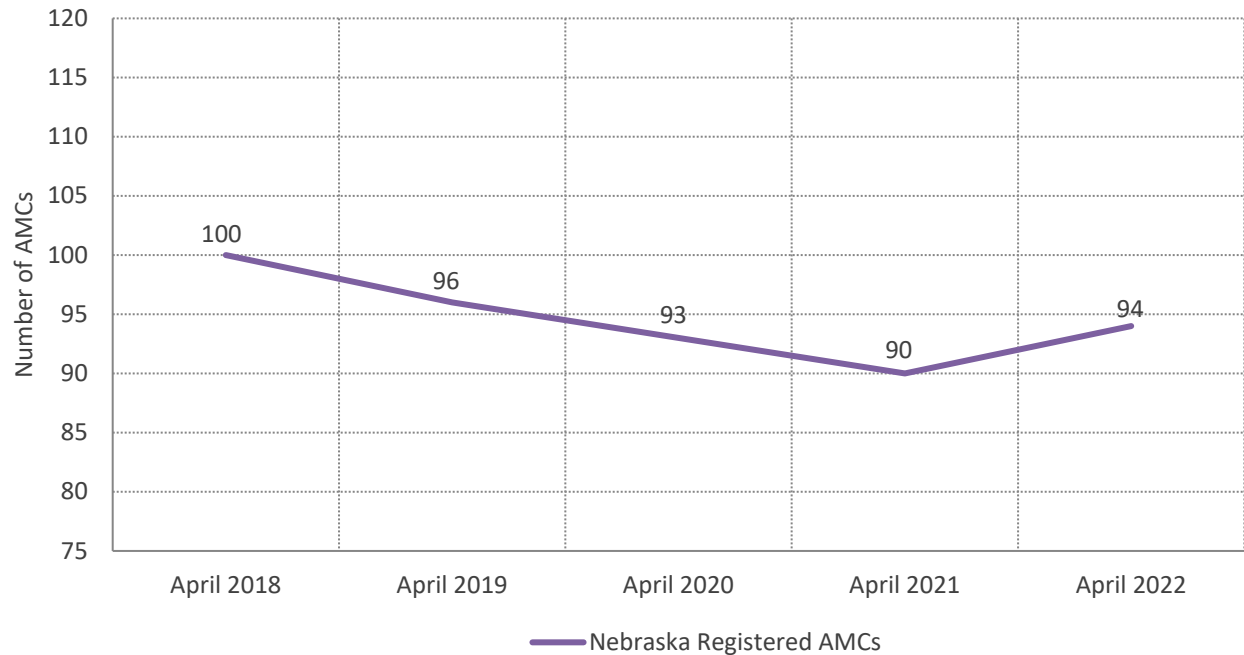


Appraisal Management Company Report

Appraisal Management Companies - Thirteen Month Trend



Appraisal Management Companies - Five Year Trend



NEBRASKA REAL PROPERTY APPRAISER BOARD

DIRECTOR APPROVAL OF REAL PROPERTY APPRAISER APPLICANTS

March 8, 2022 – April 11, 2022

<i>New Trainee Real Property Appraisers</i>		
T2022003	Emily Kaiser	Approved March 18, 2022
T2022004	Emma Loseke	Approved March 28, 2022
T2022005	Dawson Coughlin	Approved March 29, 2022
<i>New Certified General Real Property Appraisers through Reciprocity</i>		
CG2022013R	Jeffrey Rauland	Approved March 18, 2022
CG2022014R	Leo Kao	Approved March 18, 2022
CG2022016R	Daniel McNeilly	Approved April 1, 2022
CG2022015R	Bradley Schopp	Approved April 1, 2022
<i>Renewed Real Property Appraiser Credentials</i>		
CG2016007R	William Wright	Approved March 9, 2022

NEBRASKA REAL PROPERTY APPRAISER BOARD
DIRECTOR APPROVAL OF EDUCATION ACTIVITY AND INSTRUCTOR(S) APPLICANTS

March 8, 2022 – April 11, 2022

Provider	Activity Number	Hours	Title	Instructor(s)	Approval Date
<i>New Continuing Education Activities and Instructors</i>					
McKissock, LLC	2222404.03	4	Fair Housing, Bias and Discrimination	Jo Traut	March 11, 2022

2021-22 Nebraska Real Property Appraiser Board Goals and Objectives
June 16, 2021 Strategic Planning Meeting

	SHORT TERM GOALS / OBJECTIVES	EXPECTED COMPLETION DATE	STATUS/GOAL MET	LONG TERM GOALS / OBJECTIVES	EXPECTED COMPLETION DATE	NOTES
LAWS, RULES, AND GUIDANCE DOCUMENTS	Work with the Banking Commerce and Insurance Legislative Committee's Legal Counsel to draft a bill to be introduced addressing the changes needed in the Real Property Appraiser Act, which includes but is not limited to the incorporation of PAREA as an alternative to real property appraisal practice experience and removing the limitation that a real property appraiser cannot represent him or herself as a property owner for property tax purposes.	12/31/2021	LB707 was placed on final reading on March 30, 2022.	Address changes to USPAP, Real Property Appraiser Qualifications Criteria, ASC Policy Statements, AQB CAP Program Guidelines, and Title XI as required.	Ongoing.	
	Remove engagement letter completion date requirement for issuance of a temporary real property appraiser credential from the Real Property Appraiser Act.	12/31/2021	LB707 was placed on final reading on March 30, 2022.	Harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act as needed.	Ongoing.	
	Adopt Title 298 changes to reduce unnecessary regulatory burden and remove barriers to entry into the real property appraiser profession, provide for better clarification and administration, and harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act through LB808 in 2020 and LB23 in 2021.	12/31/2021	Completed December 16, 2021.	Continue to monitor the effectiveness of regulations to reduce unnecessary regulatory burden, remove barriers to entry into the real property appraiser profession, maintain an effective education program, and provide for better clarification and administration.	Ongoing.	
				Continue to adopt Guidance Documents for public advisement concerning interpretation of statutes and rules, and retire Guidance Documents that are no longer relevant.	Ongoing.	
			Continue to adopt internal procedures as needed to assist with the Board's administration of its programs, and retire internal procedures that are no longer relevant.	Ongoing.		
COMPLIANCE	None			Continue monitoring the effectiveness and efficiency of the Compliance Program.	Ongoing	
CREDENTIALING AND REGISTRATION	Explore development of a supervisory real property appraiser eligibility list derived from a question on the Application for Renewal of Nebraska Real Property Appraiser Credential.	6/30/2022	Estimate received from CIO on June 24, 2021 (20392-Potential Supervisory Real Property Appraiser List Derived from Application for Renewal of Nebraska Real Property Appraiser Credential Question). Board approved project at July 15, 2021 meeting. CIO anticipates that it will begin work in April 2022.	Explore opportunities to increase the number of Nebraska resident real property appraisers.	Ongoing.	
	Explore change to testing service provider.	12/31/2021	Contacted Pearson Vue and Prometric. After discussion with TAF, it was discovered that Pearson Vue and PSI are the only approved testing service providers for the national appraiser exam administration. Response from Pearson Vue will be presented to the Board for review when received. Second contact attempt made on August 9, 2021.			
	Limit the disciplinary action reporting requirement to a set number of years based on reasonableness on the applications for credentialing.	12/31/2021	Completed July 15, 2021.			
EDUCATION	None.			None.		
PERSONNEL	None.			Continue updating the policies and procedures documents as needed to ensure compliance with state policy changes, NAPE/ASFCME contract changes, and to address general work environment needs and/or changes.	Ongoing.	
				Continue utilization of two interns to assist with processing real property appraiser renewal applications.	Ongoing.	

2021-22 Nebraska Real Property Appraiser Board Goals and Objectives
June 16, 2021 Strategic Planning Meeting

PUBLIC INFORMATION	Explore addition of a solid or scrolling message screen at the top of the NRPAB website for use to disseminate relevant timely information, such as notices of meetings.	6/30/2022		Encourage development of Memos from the Board and Facebook posts that contain facts of interest to the appraiser community.	Ongoing.	
				Continue utilizing the NRPAB website, NRPAB Facebook page, The Nebraska Appraiser, and Memos from the Board to disseminate relevant and important information to the appraisal business community and the general public in a timely manner. This includes information related to state and federal regulations, credentialing and registration requirements, renewal information, education information, Board policies and procedures, and other information that affects the industry.	Ongoing.	
				Continue utilization of Memos from the Board to disseminate important information in a timely manner that should not be held for the next release of The Nebraska Appraiser.	Ongoing.	
				Continue releasing new issues of The Nebraska Appraiser on a quarterly basis to disseminate important information to the appraisal business community and the general public in an effective and efficient manner.	Ongoing.	
				Continue releasing new issues of The Nebraska Appraiser on a quarterly basis to disseminate important information to the appraisal business community and the general public in an effective and efficient manner.	Ongoing.	
				Continue to monitor the effectiveness of current NRPAB website, and repair bugs and make improvements and add enhancements needed to address functionality or use.	Ongoing.	
				Explore the development and implementation of an updated NRPAB logo.	None.	
ADMINISTRATION	Explore the purchase and installation of video equipment and software needed to hold NRPAB meetings by virtual conferencing under the Open Meetings Act.	6/30/2022	Completed December 16, 2021.	Continue to monitor the effectiveness of current processes and procedures, and update processes and procedures as needed to maintain effectiveness and efficiency of the administration of the Board's programs.	Ongoing.	
	Explore use of Federal grant money to pursue development of a translator system between the NRPAB Database and the ASC Federal Registry system.	6/30/2022	Additional request for estimate made to CIO on June 23, 2021 (20397 - Develop API Translator between NRPAB Database and the ASC Federal Registries for Real Property Appraisers and AMCs). No estimate provided by CIO to date. Request for update made on November 2, 2021, January 3, 2022, and April 11, 2022.	Continue to monitor the effectiveness of current NRPAB database, repair bugs, and make improvements and add enhancements needed to address program or use changes.	Ongoing.	
	Explore online AMC renewal application and upgrade to the AMC Interface in the NRPAB Database.	6/30/2022	Estimate received from CIO on November 19, 2021 (14261-AMC Renewal Online Application and Interface). Project approved by the Board at its December 16, 2021 meeting. CIO anticipates that it will begin work in April.	Explore online real property appraiser initial applications (Reciprocity; E,E,&E; Temporary) AMC initial applications, education activity applications, and other services that require payment of a fee.	None.	
				Continue to transfer remaining paper files to electronic file format.	Ongoing.	
FINANCIALS	None.			None.		

2021-22 NRPAB SWOT Analysis

STRENGTHS:	WEAKNESSES:	OPPORTUNITIES:	THREATS:
<ul style="list-style-type: none">- Customer service- Organization- Staff depth- Staff knowledge- Adaptability- Professional Diversity of Board- Modernization of Accessibility	<ul style="list-style-type: none">- Inability to grow the industry- Efficiency loss due to database- Size of agency- Regulatory and statutory regulations	<ul style="list-style-type: none">- Growth in appraiser field- Continually evaluate how the Board and Agency operate	<ul style="list-style-type: none">- Agency turnover- Federal agency oversight- State economic climate- Aging appraiser population

STATE OF NEBRASKA
Department of Administrative Services
Accounting Division
Budget Status Report
As of 03/31/22

Agency 053 REAL PROPERTY APPRAISER BD
Division 000 Real Property App Bd
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 75.07

ACCOUNT CODE DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
BUDGETED FUND TYPES - EXPENDITURES						
510000 PERSONAL SERVICES						
511100 PERMANENT SALARIES-WAGES	145,603.03	10,533.23	104,098.89	71.50		41,504.14
511300 OVERTIME PAYMENTS	1,503.00		3,984.77	265.12		2,481.77-
511600 PER DIEM PAYMENTS	9,100.00	500.00	3,900.00	42.86		5,200.00
511700 EMPLOYEE BONUSES	1,000.00					1,000.00
511800 COMP TIME PAYMENT	1,502.00					1,502.00
512100 VACATION LEAVE EXPENSE	11,489.14	1,417.65	9,494.25	82.64		1,994.89
512200 SICK LEAVE EXPENSE	3,136.00	156.08	600.33	19.14		2,535.67
512300 HOLIDAY LEAVE EXPENSE	8,154.00	637.20	6,362.08	78.02		1,791.92
Personal Services Subtotal	181,487.17	13,244.16	128,440.32	70.77	0.00	53,046.85
515100 RETIREMENT PLANS EXPENSE	12,928.72	954.26	9,325.43	72.13		3,603.29
515200 FICA EXPENSE	13,839.64	923.82	9,077.18	65.59		4,762.46
515500 HEALTH INSURANCE EXPENSE	32,903.00	2,741.90	24,677.10	75.00		8,225.90
516300 EMPLOYEE ASSISTANCE PRO	37.08		37.08	100.00		
516500 WORKERS COMP PREMIUMS	1,528.00		1,528.00	100.00		
Major Account 510000 Total	242,723.61	17,864.14	173,085.11	71.31	0.00	69,638.50
520000 OPERATING EXPENSES						
521100 POSTAGE EXPENSE	2,988.99	104.84	2,004.50	67.06		984.49
521300 FREIGHT	200.00					200.00
521400 DATA PROCESSING EXPENSE	31,736.82	3,275.98	21,180.22	66.74		10,556.60
521500 PUBLICATION & PRINT EXPENSE	3,470.40	9.25	1,708.25	49.22		1,762.15
521900 AWARDS EXPENSE	150.00		28.00	18.67		122.00
522100 DUES & SUBSCRIPTION EXPENSE	350.00		698.66	199.62		348.66-
522200 CONFERENCE REGISTRATION	1,080.00	550.00	1,065.00	98.61		15.00
524600 RENT EXPENSE-BUILDINGS	11,351.42	978.70	8,839.41	77.87		2,512.01
524900 RENT EXP-DUPR SURCHARGE	3,859.00	321.59	2,894.31	75.00		964.69
527100 REP & MAINT-OFFICE EQUIP	500.00					500.00
531100 OFFICE SUPPLIES EXPENSE	4,214.40		2,553.58	60.59		1,660.82
532100 NON CAPITALIZED EQUIP PU	200.00					200.00
532280 VIDEO EQUIP	300.00	279.00	408.30	136.10		108.30-
533100 HOUSEHOLD & INSTIT EXP	235.00		68.00	28.94		167.00
534900 MISCELLANEOUS SUPPLIES EXPENSE	50.00					50.00

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Division 000 Real Property App Bd
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 75.07

<u>ACCOUNT CODE DESCRIPTION</u>		<u>BUDGETED</u>	<u>CURRENT MONTH</u>	<u>YEAR-TO-DATE</u>	<u>PERCENT OF</u>	<u>ENCUMBERANCES</u>	<u>VARIANCE</u>
		<u>AMOUNT</u>	<u>ACTIVITY</u>	<u>ACTUALS</u>	<u>BUDGET</u>		
541100	ACCTG & AUDITING SERVICES	1,037.00		1,037.00	100.00		
541200	PURCHASING ASSESSMENT	90.00		83.00	92.22		7.00
541500	LEGAL SERVICES EXPENSE	35,000.00	640.00	2,280.00	6.51		32,720.00
541700	LEGAL RELATED EXPENSE	7,000.00		13.50	.19		6,986.50
542100	SOS TEMP SERV-PERSONNEL	7,680.00		4,440.16	57.81		3,239.84
547100	EDUCATIONAL SERVICES	1,532.50		38.00	2.48		1,494.50
554900	OTHER CONTRACTUAL SERVICE	41,855.25	2,120.50	21,676.75	51.79		20,178.50
556100	INSURANCE EXPENSE	21.00	21.81	47.76	227.43		26.76-
556300	SURETY & NOTARY BONDS	26.00					26.00
559100	OTHER OPERATING EXP	897.92		120.00	13.36		777.92
Major Account 520000 Total		155,825.70	8,301.67	71,184.40	45.68	0.00	84,641.30
570000 TRAVEL EXPENSES							
571100	BOARD & LODGING	4,938.00	416.14	2,617.44	53.01		2,320.56
571600	MEALS-NOT TRAVEL STATUS	100.00					100.00
571800	TAXABLE TRAVEL EXPENSES	1,867.26	247.84	902.41	48.33		964.85
572100	COMMERCIAL TRANSPORTATION	1,950.00					1,950.00
573100	STATE-OWNED TRANSPORT	200.00					200.00
574500	PERSONAL VEHICLE MILEAGE	9,553.76	1,350.24	4,455.28	46.63		5,098.48
575100	MISC TRAVEL EXPENSES	1,012.25	53.50	196.00	19.36		816.25
Major Account 570000 Total		19,621.27	2,067.72	8,171.13	41.64	0.00	11,450.14
BUDGETED EXPENDITURES TOTAL		418,170.58	28,233.53	252,440.64	60.37	0.00	165,729.94
SUMMARY BY FUND TYPE - EXPENDITURES							
2	CASH FUNDS	418,170.58	28,233.53	252,440.64	60.37		165,729.94
BUDGETED EXPENDITURES TOTAL		418,170.58	28,233.53	252,440.64	60.37	0.00	165,729.94

BUDGETED FUND TYPES - REVENUES

470000 REVENUE - SALES AND CHARGES

471100	SALE OF SERVICES	350.00-	75.00-	250.00-	71.43		100.00-
471120	QUALIFYING ED COURSE FEES	750.00-		550.00-	73.33		200.00-
471121	CONTINUING ED NEW FEES	1,250.00-		825.00-	66.00		425.00-
471122	CONTINUING ED RENEWAL FEES	100.00-	10.00-	110.00-	110.00		10.00

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Agency 053 REAL PROPERTY APPRAISER BD
Division 000 Real Property App Bd
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 75.07

	BUDGETED	CURRENT MONTH	YEAR-TO-DATE	PERCENT OF		
ACCOUNT CODE DESCRIPTION	AMOUNT	ACTIVITY	ACTUALS	BUDGET	ENCUMBERANCES	VARIANCE
475150 CERTIFIED GENERAL NEW FEES	7,500.00-	600.00-	9,000.00-	120.00		1,500.00
475151 LICENSED NEW FEES	300.00-	300.00-	1,200.00-	400.00		900.00
475152 FINGERPRINT FEES	2,580.00-	543.00-	2,986.50-	115.76		406.50
475153 CERTIFIED RESIDENTIAL NEW	2,400.00-		2,100.00-	87.50		300.00-
475154 CERTIFIED GENERAL RENEWAL	80,025.00-	1,100.00-	86,350.00-	107.90		6,325.00
475155 LICENSED RENEWAL	11,000.00-		10,175.00-	92.50		825.00-
475156 FINGERPRINT AUDIT PROGRAM FEES	2,900.00-	20.00-	3,030.00-	104.48		130.00
475157 CERTIFIED RESIDENTIAL RENEWAL	50,875.00-		54,175.00-	106.49		3,300.00
475161 TEMPORARY CERTIFIED GENERAL	9,000.00-	1,050.00-	7,550.00-	83.89		1,450.00-
475163 AMC REGISTERED NEW FEES	12,000.00-	2,000.00-	12,000.00-	100.00		
475164 AMC APPLICATION FEES	2,100.00-		2,100.00-	100.00		
475165 AMC REGISTERED RENEWAL	126,000.00-	15,000.00-	103,500.00-	82.14		22,500.00-
475167 CERTIFIED RESIDENTIAL INACTIVE	300.00-					300.00-
475168 CERTIFIED GENERAL INACTIVE	300.00-					300.00-
475234 APPLICATION FEES	26,550.00-	3,900.00-	25,550.00-	96.23		1,000.00-
476101 LATE PROCESSING FEES	5,000.00-	400.00-	3,075.00-	61.50		1,925.00-
Major Account 470000 Total	341,280.00-	24,998.00-	324,526.50-	95.09	0.00	16,753.50-
480000 REVENUE - MISCELLANEOUS						
481100 INVESTMENT INCOME	6,250.00-	1,057.55-	8,234.82-	131.76		1,984.82
481101 AMC INVESTMENT INCOME	5,750.00-					5,750.00-
484500 REIMB NON-GOVT SOURCES			415.56-			415.56
486500 MISCELLANEOUS ADJUSTMENT			125.00			125.00-
Major Account 480000 Total	12,000.00-	1,057.55-	8,525.38-	71.04	0.00	3,474.62-
BUDGETED REVENUE TOTAL	353,280.00-	26,055.55-	333,051.88-	94.27	0.00	20,228.12-
SUMMARY BY FUND TYPE - REVENUE						
2 CASH FUNDS	353,280.00-	26,055.55-	333,051.88-	94.27		20,228.12-
BUDGETED REVENUE TOTAL	353,280.00-	26,055.55-	333,051.88-	94.27	0.00	20,228.12-

Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25310	079	000	53105018.471100.		436746	03/22/22	RC	RB	NRPAB DEPOSIT 220322	6647918		25.00-
25310	079	000	53105018.471100.		437517	03/25/22	RC	RB	NRPAB DEPOSIT 220325	6652506		25.00-
25310	079	000	53105018.471100.		437857	03/29/22	RC	RB	NRPAB DEPOSIT 220329	6655566		25.00-
Total for Object			471100 SALE OF SERVICES									75.00-
25310	079	000	53105018.471122.		434576	03/08/22	RC	RB	NRPAB DEPOSIT 220308	6633885		10.00-
Total for Object			471122 CONTINUING ED RENEWAL FEES									10.00-
25310	079	000	53105018.475150.		437517	03/25/22	RC	RB	NRPAB DEPOSIT 220325	6652506		300.00-
25310	079	000	53105018.475150.		437857	03/29/22	RC	RB	NRPAB DEPOSIT 220329	6655566		300.00-
Total for Object			475150 CERTIFIED GENERAL NEW FEES									600.00-
25310	079	000	53105018.475151.		437275	03/24/22	RC	RB	NRPAB DEPOSIT 220324	6650716		300.00-
Total for Object			475151 LICENSED NEW FEES									300.00-
25310	079	000	53105018.475152.		433331	03/01/22	RC	RB	NRPAB DEPOSIT 220301	6626030		90.50-
25310	079	000	53105018.475152.		433519	03/02/22	RC	RB	NRPAB DEPOSIT 220302	6628159		45.25-
25310	079	000	53105018.475152.		434576	03/08/22	RC	RB	NRPAB DEPOSIT 220308	6633885		45.25-
25310	079	000	53105018.475152.		435413	03/14/22	RC	RB	NRPAB DEPOSIT 220314	6638933		135.75-
25310	079	000	53105018.475152.		435615	03/15/22	RC	RB	NRPAB DEPOSIT 220315	6640247		45.25-
25310	079	000	53105018.475152.		435788	03/16/22	RC	RB	NRPAB DEPOSIT 220316	6641778		90.50-
25310	079	000	53105018.475152.		436746	03/22/22	RC	RB	NRPAB DEPOSIT 220322	6647918		90.50-
Total for Object			475152 FINGERPRINT FEES									543.00-
25310	079	000	53105018.475154.		434150	03/03/22	RC	RB	NRPAB RENEW EFW DEPOSIT 220303	6630451		550.00-
25310	079	000	53105018.475154.		435046	03/09/22	RC	RB	NRPAB RENEW EFW DEPOSIT 220309	6635783		550.00-
Total for Object			475154 CERTIFIED GENERAL RENEWAL									1,100.00-
25310	079	000	53105018.475156.		434150	03/03/22	RC	RB	NRPAB RENEW EFW DEPOSIT 220303	6630451		10.00-
25310	079	000	53105018.475156.		435046	03/09/22	RC	RB	NRPAB RENEW EFW DEPOSIT 220309	6635783		10.00-
Total for Object			475156 FINGERPRINT AUDIT PROGRAM FEES									20.00-
25310	079	000	53105018.475161.		433331	03/01/22	RC	RB	NRPAB DEPOSIT 220301	6626030		100.00-
25310	079	000	53105018.475161.		434018	03/04/22	RC	RB	NRPAB DEPOSIT 220304	6631100		50.00-
25310	079	000	53105018.475161.		434576	03/08/22	RC	RB	NRPAB DEPOSIT 220308	6633885		100.00-
25310	079	000	53105018.475161.		434764	03/09/22	RC	RB	NRPAB DEPOSIT 220309	6634971		150.00-
25310	079	000	53105018.475161.		435413	03/14/22	RC	RB	NRPAB DEPOSIT 220314	6638933		150.00-
25310	079	000	53105018.475161.		435615	03/15/22	RC	RB	NRPAB DEPOSIT 220315	6640247		100.00-
25310	079	000	53105018.475161.		435788	03/16/22	RC	RB	NRPAB DEPOSIT 220316	6641778		100.00-

Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date	
25310	079	000	53105018.475161.		436746	03/22/22	RC	RB	NRPAB DEPOSIT 220322	6647918		100.00-	
25310	079	000	53105018.475161.		437517	03/25/22	RC	RB	NRPAB DEPOSIT 220325	6652506		100.00-	
25310	079	000	53105018.475161.		437857	03/29/22	RC	RB	NRPAB DEPOSIT 220329	6655566		50.00-	
25310	079	000	53105018.475161.		438186	03/30/22	RC	RB	NRPAB DEPOSIT 220330	6656676		50.00-	
Total for Object			475161	TEMPORARY CERTIFIED GENERAL									1,050.00-
25310	079	000	53105018.475234.		433331	03/01/22	RC	RB	NRPAB DEPOSIT 220301	6626030		500.00-	
25310	079	000	53105018.475234.		433519	03/02/22	RC	RB	NRPAB DEPOSIT 220302	6628159		150.00-	
25310	079	000	53105018.475234.		434018	03/04/22	RC	RB	NRPAB DEPOSIT 220304	6631100		100.00-	
25310	079	000	53105018.475234.		434576	03/08/22	RC	RB	NRPAB DEPOSIT 220308	6633885		350.00-	
25310	079	000	53105018.475234.		434764	03/09/22	RC	RB	NRPAB DEPOSIT 220309	6634971		300.00-	
25310	079	000	53105018.475234.		435413	03/14/22	RC	RB	NRPAB DEPOSIT 220314	6638933		750.00-	
25310	079	000	53105018.475234.		435615	03/15/22	RC	RB	NRPAB DEPOSIT 220315	6640247		350.00-	
25310	079	000	53105018.475234.		435788	03/16/22	RC	RB	NRPAB DEPOSIT 220316	6641778		500.00-	
25310	079	000	53105018.475234.		436746	03/22/22	RC	RB	NRPAB DEPOSIT 220322	6647918		500.00-	
25310	079	000	53105018.475234.		437517	03/25/22	RC	RB	NRPAB DEPOSIT 220325	6652506		200.00-	
25310	079	000	53105018.475234.		437857	03/29/22	RC	RB	NRPAB DEPOSIT 220329	6655566		100.00-	
25310	079	000	53105018.475234.		438186	03/30/22	RC	RB	NRPAB DEPOSIT 220330	6656676		100.00-	
Total for Object			475234	APPLICATION FEES									3,900.00-
25310	079	000	53105018.476101.		434150	03/03/22	RC	RB	NRPAB RENEW EFW DEPOSIT 220303	6630451		100.00-	
25310	079	000	53105018.476101.		435046	03/09/22	RC	RB	NRPAB RENEW EFW DEPOSIT 220309	6635783		100.00-	
Total for Object			476101	LATE PROCESSING FEES									200.00-
25310	079	000	53105018.481100.		17637138	03/25/22	JE	G	OIP February 2022 1.73702%	6653580		586.45-	
Total for Object			481100	INVESTMENT INCOME									586.45-
25310	079	000	53105018.511100.		3163274	03/09/22	T2	7	PAYROLL LABOR DISTRIBUTION	6626372		3,177.62	
25310	079	000	53105018.511100.		3163625	03/23/22	T2	7	PAYROLL LABOR DISTRIBUTION	6642468		3,669.18	
Total for Object			511100	PERMANENT SALARIES-WAGES									6,846.80
25310	079	000	53105018.511600.		3163274	03/09/22	T2	7	PAYROLL LABOR DISTRIBUTION	6626372		325.00	
Total for Object			511600	PER DIEM PAYMENTS									325.00
25310	079	000	53105018.512100.		3163274	03/09/22	T2	7	PAYROLL LABOR DISTRIBUTION	6626372		550.04	
25310	079	000	53105018.512100.		3163625	03/23/22	T2	7	PAYROLL LABOR DISTRIBUTION	6642468		371.54	
Total for Object			512100	VACATION LEAVE EXPENSE									921.58
25310	079	000	53105018.512200.		3163625	03/23/22	T2	7	PAYROLL LABOR DISTRIBUTION	6642468			

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Total for Object			512200	SICK LEAVE EXPENSE								101.14
25310	079	000	53105018.512300.		3163274	03/09/22	T2	7	PAYROLL LABOR DISTRIBUTION	6626372		414.18
Total for Object			512300	HOLIDAY LEAVE EXPENSE								414.18
25310	079	000	53105018.515100.		3163275	03/09/22	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	6626372		310.16
25310	079	000	53105018.515100.		3163626	03/23/22	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	6642468		310.14
Total for Object			515100	RETIREMENT PLANS EXPENSE								620.30
25310	079	000	53105018.515200.		3163275	03/09/22	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	6626372		312.70
25310	079	000	53105018.515200.		3163626	03/23/22	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	6642468		287.81
Total for Object			515200	FICA EXPENSE								600.51
25310	079	000	53105018.515500.		3163275	03/09/22	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	6626372		891.11
25310	079	000	53105018.515500.		3163626	03/23/22	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	6642468		891.12
Total for Object			515500	HEALTH INSURANCE EXPENSE								1,782.23
25310	079	000	53105018.521100.		17436916	03/01/22	JE	G	NRPAB POSTAGE JAN 2022	6624034		87.70-
25310	079	000	53105018.521100.		17578028	03/16/22	JE	G	POSTAGE DUE FEB 2022	6642984		103.91
25310	079	000	53105018.521100.		17605892	03/21/22	JE	G	POSTAGE 20220201 - 20220228	6648181		.93
25310	079	000	53105018.521100.		17630859	03/23/22	JE	G	NRPAB POSTAGE FEB 2022	6651247		36.69-
Total for Object			521100	POSTAGE EXPENSE								19.55-
25310	079	000	53105018.521400.		48921556	03/01/22	PV	V	AS - OCIO - IMSERVICES	6624234		1,058.17
25310	079	000	53105018.521400.		48941277	03/01/22	PV	V	AS - OCIO - COMMUNICATIONS	6626625		110.42
25310	079	000	53105018.521400.		49158960	03/18/22	PV	V	AS - OCIO - IMSERVICES	6646428		864.98
25310	079	000	53105018.521400.		49225754	03/24/22	PV	V	AS - OCIO - COMMUNICATIONS	6652822		130.90
Total for Object			521400	CIO CHARGES								2,164.47
25310	079	000	53105018.521500.		17429074	03/01/22	JE	G	NRPAB COPY SERV OCT-DEC 2021	6622568		193.41-
25310	079	000	53105018.521500.		1810470	03/02/22	OV	O	CORRECTIONAL SERVICES, DEPARTM	6629295		9.25
25310	079	000	53105018.521500.		17612416	03/21/22	JE	G	NRPAB CSI BOARD MEMB NAMEPLATE	6648383		3.24-
Total for Object			521500	PUBLICATION & PRINT EXP								187.40-
25310	079	000	53105018.522200.		17469637	03/02/22	J1	G	PURCHASE CARD TRANSACTION	6628827		357.50
Total for Object			522200	CONFERENCE REGISTRATION								357.50
25310	079	000	53105018.524600.		17462997	03/07/22	JE	G	RENT & LB530 MAR 22 - OTHER	6627527		939.94
25310	079	000	53105018.524600.		17504244	03/08/22	JE	G	NRPAB RENT MAR 2022	6634768		28.08-

Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25310	079	000	53105018.524600.		49100683	03/14/22	PV	V	SECRETARY OF STATE	6640830		25.19
Total for Object			524600 RENT EXPENSE-BUILDINGS									636.15
25310	079	000	53105018.524900.		17462997	03/07/22	JE	G	RENT & LB530 MAR 22 - OTHER	6627527		321.59
25310	079	000	53105018.524900.		17504244	03/08/22	JE	G	NRPAB RENT MAR 2022	6634768		112.56-
Total for Object			524900 RENT EXP-DEPR SURCHARGE									209.03
25310	079	000	53105018.532280.		17469637	03/02/22	J1	G	PURCHASE CARD TRANSACTION	6628827		181.35
Total for Object			532280 VIDEO EQUIP									181.35
25310	079	000	53105018.539500.		48967942	03/02/22	PC	V	Purchase Card Offset	6628748		1,245.14
25310	079	000	53105018.539500.		17469637	03/02/22	J1	G	PURCHASE CARD TRANSACTION	6628827		1,245.14-
Total for Object			539500 PURCHASING CARD SUSPENSE									
25310	079	000	53105018.541500.		49087835	03/11/22	PV	V	BLAKE LAW	6639349		640.00
Total for Object			541500 LEGAL SERVICES EXPENSE									640.00
25310	079	000	53105018.554900.		48875976	03/01/22	PV	V	PATROL, NEBRASKA STATE	6622536		362.00
25310	079	000	53105018.554900.		48921497	03/01/22	PV	V	BAUERMEISTER APPRAISAL SERVICE	6624128		250.00
25310	079	000	53105018.554900.		49174497	03/21/22	PV	V	MCCORMICK APPRAISAL	6648417		875.00
Total for Object			554900 OTHER CONTRACTUAL SERVICES									1,487.00
25310	079	000	53105018.556100.		49024411	03/08/22	PV	V	AS - RISK MANAGEMENT DIVISION	6634717		.98
25310	079	000	53105018.556100.		49024415	03/08/22	PV	V	AS - RISK MANAGEMENT DIVISION	6634737		13.20
Total for Object			556100 INSURANCE EXPENSE									14.18
25310	079	000	53105018.571100.		17469637	03/02/22	J1	G	PURCHASE CARD TRANSACTION	6628827		270.49
Total for Object			571100 LODGING									270.49
25310	079	000	53105018.571800.		48941317	03/01/22	PV	V	LUHRS, THOMAS M	6626680		40.27
25310	079	000	53105018.571800.		48941373	03/01/22	PV	V	DOWNING, BONNIE M	6626735		40.27
25310	079	000	53105018.571800.		49198401	03/23/22	PV	V	LUHRS, THOMAS M	6651217		40.27
25310	079	000	53105018.571800.		49198407	03/23/22	PV	V	DOWNING, BONNIE M	6651233		40.27
Total for Object			571800 MEALS - TRAVEL STATUS									161.08
25310	079	000	53105018.574500.		48941317	03/01/22	PV	V	LUHRS, THOMAS M	6626680		222.83
25310	079	000	53105018.574500.		48941373	03/01/22	PV	V	DOWNING, BONNIE M	6626735		178.72
25310	079	000	53105018.574500.		48941396	03/01/22	PV	V	WALKENHORST, WADE	6626759		6.08
25310	079	000	53105018.574500.		49198401	03/23/22	PV	V	LUHRS, THOMAS M	6651217		

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25310	079	000	53105018.574500.		49198407	03/23/22	PV	V	DOWNING, BONNIE M	6651233		178.72
25310	079	000	53105018.574500.		49198414	03/23/22	PV	V	HERMSEN, KEVIN P	6651240		68.46
Total for Object			574500	PERSONAL VEHICLE MILEAGE								877.64
25310	079	000	53105018.575100.		48941317	03/01/22	PV	V	LUHRS, THOMAS M	6626680		7.31
25310	079	000	53105018.575100.		48941373	03/01/22	PV	V	DOWNING, BONNIE M	6626735		7.31
25310	079	000	53105018.575100.		48941396	03/01/22	PV	V	WALKENHORST, WADE	6626759		1.62
25310	079	000	53105018.575100.		49198401	03/23/22	PV	V	LUHRS, THOMAS M	6651217		7.31
25310	079	000	53105018.575100.		49198407	03/23/22	PV	V	DOWNING, BONNIE M	6651233		7.31
25310	079	000	53105018.575100.		49198414	03/23/22	PV	V	HERMSEN, KEVIN P	6651240		3.90
Total for Object			575100	MISC TRAVEL EXPENSE								34.76
Total for Business Unit		53105018	NE REAL PROPERTY APPRAISER									10,053.99
25320	079	000	53105200.475163.		434575	03/08/22	RC	RB	NRPAB AMC DEPOSIT 220308	6633889		2,000.00-
Total for Object			475163	AMC REGISTERED NEW FEES								2,000.00-
25320	079	000	53105200.475165.		433520	03/02/22	RC	RB	NRPAB AMC DEPOSIT 220302	6627727		1,500.00-
25320	079	000	53105200.475165.		434575	03/08/22	RC	RB	NRPAB AMC DEPOSIT 220308	6633889		1,500.00-
25320	079	000	53105200.475165.		435787	03/16/22	RC	RB	NRPAB AMC DEPOSIT 220316	6641789		1,500.00-
25320	079	000	53105200.475165.		436747	03/22/22	RC	RB	NRPAB AMC DEPOSIT 220322	6647933		7,500.00-
25320	079	000	53105200.475165.		437856	03/29/22	RC	RB	NRPAB AMC DEPOSIT 220329	6655543		3,000.00-
Total for Object			475165	AMC REGISTERED RENEWAL								15,000.00-
25320	079	000	53105200.476101.		434575	03/08/22	RC	RB	NRPAB AMC DEPOSIT 220308	6633889		25.00-
25320	079	000	53105200.476101.		435787	03/16/22	RC	RB	NRPAB AMC DEPOSIT 220316	6641789		50.00-
25320	079	000	53105200.476101.		436747	03/22/22	RC	RB	NRPAB AMC DEPOSIT 220322	6647933		125.00-
Total for Object			476101	LATE PROCESSING FEES								200.00-
25320	079	000	53105200.481100.		17637138	03/25/22	JE	G	OIP February 2022 1.73702%	6653580		471.10-
Total for Object			481100	INVESTMENT INCOME								471.10-
25320	079	000	53105200.511100.		3163274	03/09/22	T2	7	PAYROLL LABOR DISTRIBUTION	6626372		1,711.20
25320	079	000	53105200.511100.		3163625	03/23/22	T2	7	PAYROLL LABOR DISTRIBUTION	6642468		1,975.23
Total for Object			511100	PERMANENT SALARIES-WAGES								3,686.43
25320	079	000	53105200.511600.		3163274	03/09/22	T2	7	PAYROLL LABOR DISTRIBUTION	6626372		175.00
Total for Object			511600	PER DIEM PAYMENTS								175.00

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25320	079	000	53105200.512100.		3163274	03/09/22	T2	7	PAYROLL LABOR DISTRIBUTION	6626372		296.01
25320	079	000	53105200.512100.		3163625	03/23/22	T2	7	PAYROLL LABOR DISTRIBUTION	6642468		200.06
Total for Object			512100 VACATION LEAVE EXPENSE									496.07
25320	079	000	53105200.512200.		3163625	03/23/22	T2	7	PAYROLL LABOR DISTRIBUTION	6642468		54.94
Total for Object			512200 SICK LEAVE EXPENSE									54.94
25320	079	000	53105200.512300.		3163274	03/09/22	T2	7	PAYROLL LABOR DISTRIBUTION	6626372		223.02
Total for Object			512300 HOLIDAY LEAVE EXPENSE									223.02
25320	079	000	53105200.515100.		3163275	03/09/22	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	6626372		166.97
25320	079	000	53105200.515100.		3163626	03/23/22	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	6642468		166.99
Total for Object			515100 RETIREMENT PLANS EXPENSE									333.96
25320	079	000	53105200.515200.		3163275	03/09/22	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	6626372		168.34
25320	079	000	53105200.515200.		3163626	03/23/22	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	6642468		154.97
Total for Object			515200 FICA EXPENSE									323.31
25320	079	000	53105200.515500.		3163275	03/09/22	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	6626372		479.84
25320	079	000	53105200.515500.		3163626	03/23/22	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	6642468		479.83
Total for Object			515500 HEALTH INSURANCE EXPENSE									959.67
25320	079	000	53105200.521100.		17436916	03/01/22	JE	G	NRPAB POSTAGE JAN 2022	6624034		87.70
25320	079	000	53105200.521100.		17630859	03/23/22	JE	G	NRPAB POSTAGE FEB 2022	6651247		36.69
Total for Object			521100 POSTAGE EXPENSE									124.39
25320	079	000	53105200.521400.		48921556	03/01/22	PV	V	AS - OCIO - IMSERVICES	6624234		515.81
25320	079	000	53105200.521400.		48941277	03/01/22	PV	V	AS - OCIO - COMMUNICATIONS	6626625		59.45
25320	079	000	53105200.521400.		49158960	03/18/22	PV	V	AS - OCIO - IMSERVICES	6646428		465.76
25320	079	000	53105200.521400.		49225754	03/24/22	PV	V	AS - OCIO - COMMUNICATIONS	6652822		70.49
Total for Object			521400 CIO CHARGES									1,111.51
25320	079	000	53105200.521500.		17429074	03/01/22	JE	G	NRPAB COPY SERV OCT-DEC 2021	6622568		193.41
25320	079	000	53105200.521500.		17612416	03/21/22	JE	G	NRPAB CSI BOARD MEMB NAMEPLATE	6648383		3.24
Total for Object			521500 PUBLICATION & PRINT EXP									196.65
25320	079	000	53105200.522200.		17469637	03/02/22	J1	G	PURCHASE CARD TRANSACTION	6628827		192.50
Total for Object			522200 CONFERENCE REGISTRATION									192.50

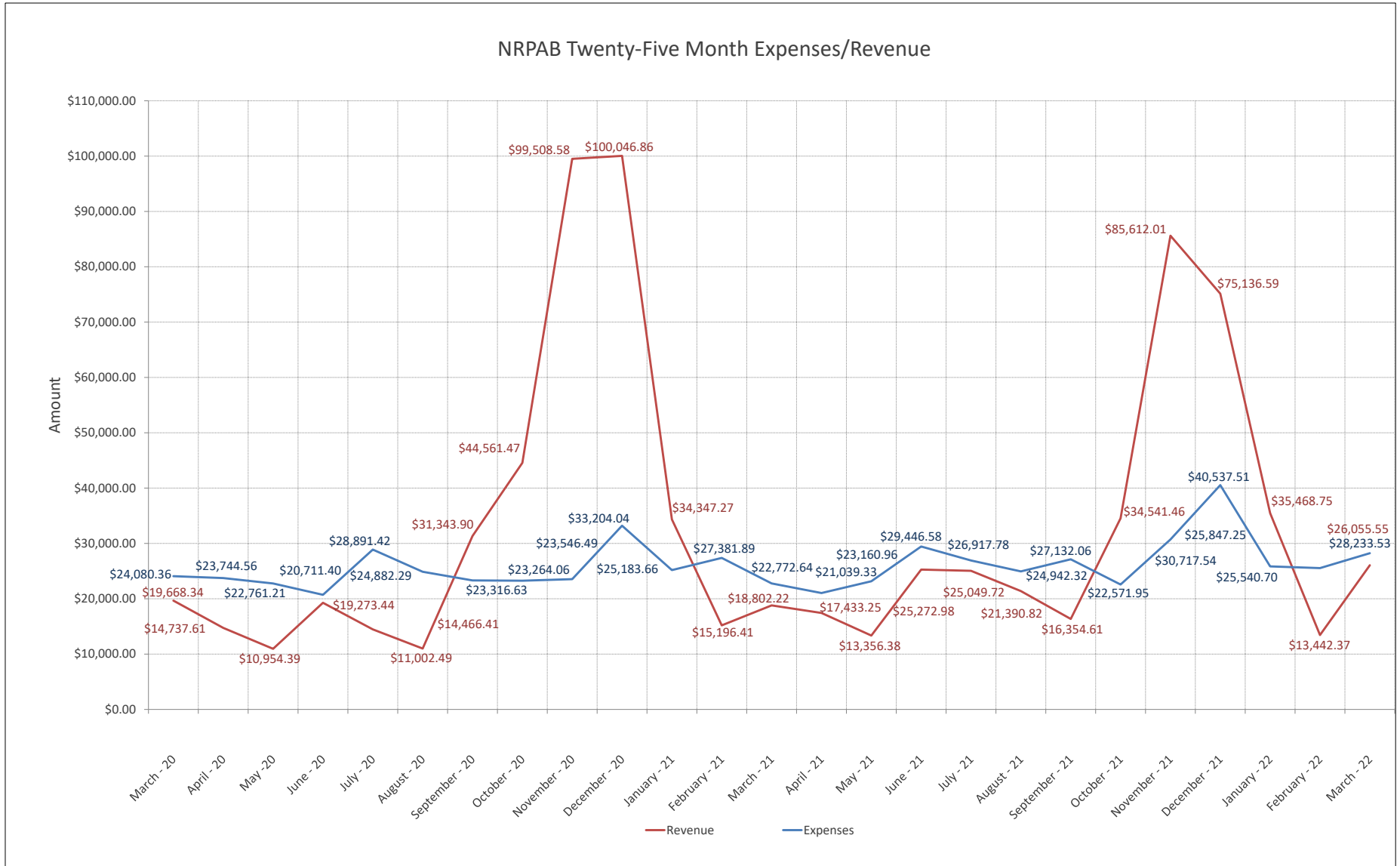
Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25320	079	000	53105200.524600.		17504244	03/08/22	JE	G	NRPAB RENT MAR 2022	6634768		328.98
25320	079	000	53105200.524600.		49100683	03/14/22	PV	V	SECRETARY OF STATE	6640830		13.57
Total for Object			524600 RENT EXPENSE-BUILDINGS									342.55
25320	079	000	53105200.524900.		17504244	03/08/22	JE	G	NRPAB RENT MAR 2022	6634768		112.56
Total for Object			524900 RENT EXP-DEPR SURCHARGE									112.56
25320	079	000	53105200.532280.		17469637	03/02/22	J1	G	PURCHASE CARD TRANSACTION	6628827		97.65
Total for Object			532280 VIDEO EQUIP									97.65
25320	079	000	53105200.554900.		48875976	03/01/22	PV	V	PATROL, NEBRASKA STATE	6622536		633.50
Total for Object			554900 OTHER CONTRACTUAL SERVICES									633.50
25320	079	000	53105200.556100.		49024411	03/08/22	PV	V	AS - RISK MANAGEMENT DIVISION	6634717		.52
25320	079	000	53105200.556100.		49024415	03/08/22	PV	V	AS - RISK MANAGEMENT DIVISION	6634737		7.11
Total for Object			556100 INSURANCE EXPENSE									7.63
25320	079	000	53105200.571100.		17469637	03/02/22	J1	G	PURCHASE CARD TRANSACTION	6628827		145.65
Total for Object			571100 LODGING									145.65
25320	079	000	53105200.571800.		48941317	03/01/22	PV	V	LUHRS, THOMAS M	6626680		21.69
25320	079	000	53105200.571800.		48941373	03/01/22	PV	V	DOWNING, BONNIE M	6626735		21.69
25320	079	000	53105200.571800.		49198401	03/23/22	PV	V	LUHRS, THOMAS M	6651217		21.69
25320	079	000	53105200.571800.		49198407	03/23/22	PV	V	DOWNING, BONNIE M	6651233		21.69
Total for Object			571800 MEALS - TRAVEL STATUS									86.76
25320	079	000	53105200.574500.		48941317	03/01/22	PV	V	LUHRS, THOMAS M	6626680		119.99
25320	079	000	53105200.574500.		48941373	03/01/22	PV	V	DOWNING, BONNIE M	6626735		96.24
25320	079	000	53105200.574500.		48941396	03/01/22	PV	V	WALKENHORST, WADE	6626759		3.28
25320	079	000	53105200.574500.		49198401	03/23/22	PV	V	LUHRS, THOMAS M	6651217		119.99
25320	079	000	53105200.574500.		49198407	03/23/22	PV	V	DOWNING, BONNIE M	6651233		96.24
25320	079	000	53105200.574500.		49198414	03/23/22	PV	V	HERMSEN, KEVIN P	6651240		36.86
Total for Object			574500 PERSONAL VEHICLE MILEAGE									472.60
25320	079	000	53105200.575100.		48941317	03/01/22	PV	V	LUHRS, THOMAS M	6626680		3.94
25320	079	000	53105200.575100.		48941373	03/01/22	PV	V	DOWNING, BONNIE M	6626735		3.94
25320	079	000	53105200.575100.		48941396	03/01/22	PV	V	WALKENHORST, WADE	6626759		.88
25320	079	000	53105200.575100.		49198401	03/23/22	PV	V	LUHRS, THOMAS M	6651217		3.94
25320	079	000	53105200.575100.		49198407	03/23/22	PV	V	DOWNING, BONNIE M	6651233		3.94

Agency 053 REAL PROPERTY APPRAISER BD
 Division 000 AGENCY DEFINED DIVISION
 Grant

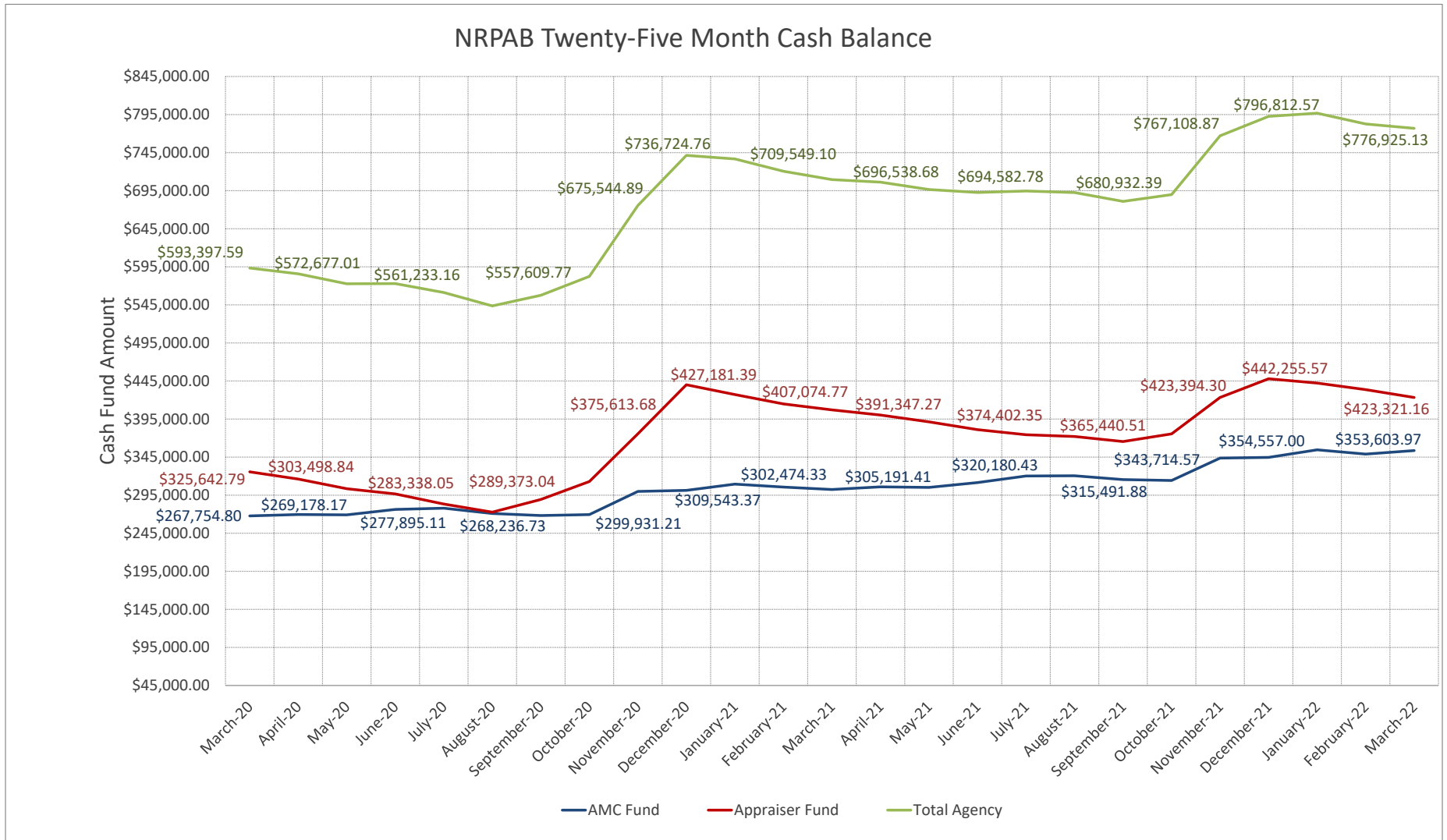
All Objects
 As of 03/31/22

Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25320	079	000	53105200.575100.		49198414	03/23/22	PV	V	HERMSEN, KEVIN P	6651240		2.10
Total for Object											18.74	
Total for Business Unit		53105200	AMC LICENSING									7,876.01-
Total for Division		000										2,177.98
Total for Agency		053	REAL PROPERTY APPRAISER BD									2,177.98

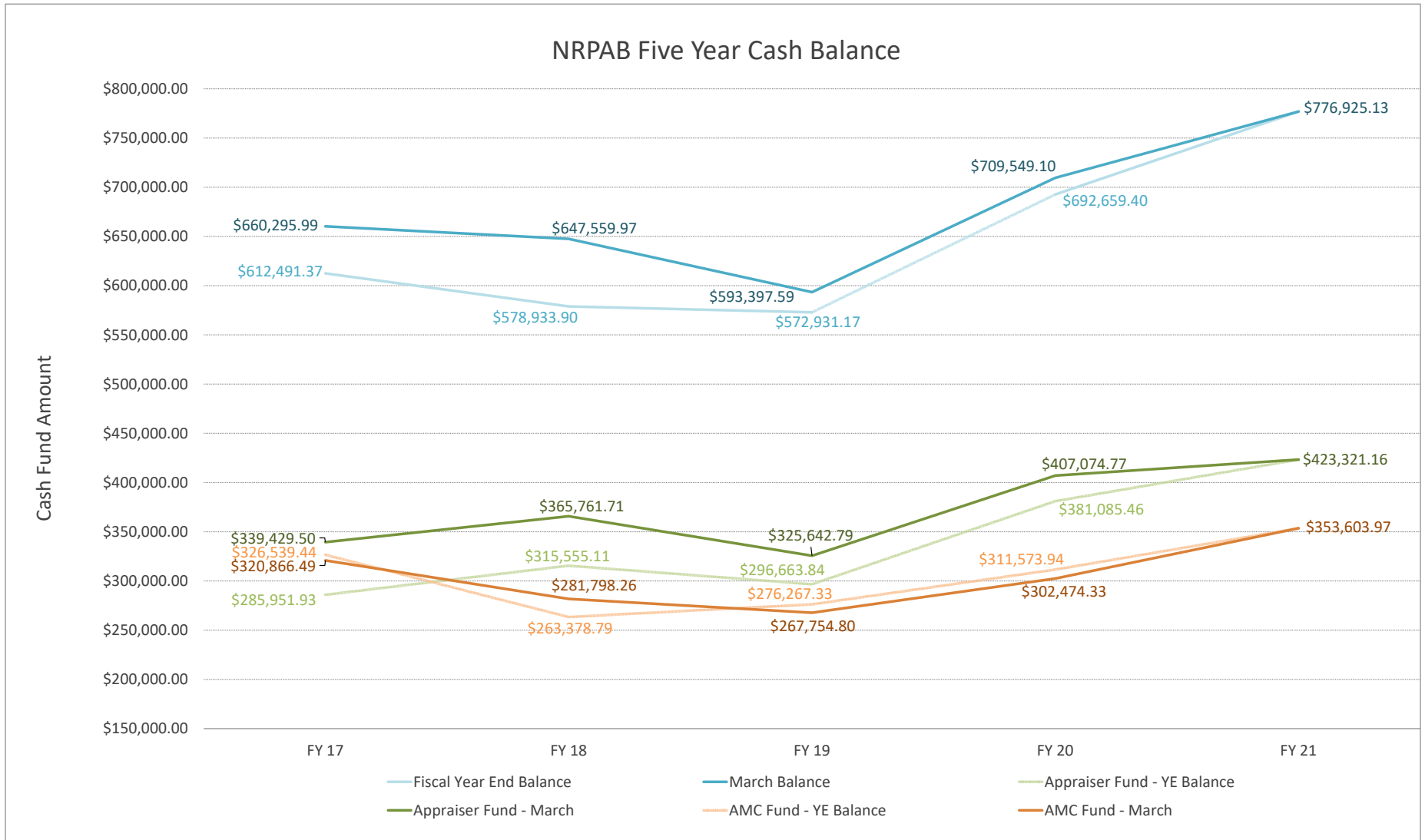
Financial Report and Considerations - Financial Charts



Financial Report and Considerations - Financial Charts



Financial Report and Considerations - Financial Charts





Action Plan to Advance Property Appraisal and Valuation Equity

Closing the Racial Wealth Gap by Addressing Mis-valuations for Families and Communities of Color



MARCH 2022



“Affirmatively advancing equity, civil rights, racial justice, and equal opportunity is the responsibility of the whole of our Government. Because advancing equity requires a systematic approach to embedding fairness in decision-making processes, executive departments and agencies must recognize and work to redress inequities in their policies and programs that serve as barriers to equal opportunity.”

PRESIDENT JOSEPH R. BIDEN, JR.

Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government

PAVE Task Force Agencies and Offices

The Interagency Task Force on Property Appraisal and Valuation Equity (PAVE) is composed of thirteen federal agencies and offices. PAVE is co-led by the U.S. Department of Housing and Urban Development (Secretary Marcia L. Fudge) and the White House Domestic Policy Council (White House Domestic Policy Advisor Susan Rice).



U.S. Department of Housing and Urban Development



White House Domestic Policy Council



Appraisal Subcommittee



Federal Reserve Board



Consumer Financial Protection Bureau



Federal Deposit Insurance Corporation



Federal Housing Finance Agency



National Credit Union Administration



Comptroller of the Currency



U.S. Department of Agriculture



U.S. Department of Justice



U.S. Department of Labor



U.S. Department of Veterans Affairs

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Executive Summary

FOR MANY AMERICANS, the dream of homeownership and the long-term financial security this investment represents is a dream deferred or unrealized. Homeownership is often hindered by inequities within current home lending and appraisal processes, which research shows disproportionately impact people in communities of color.

Though this broken system was created decades ago, perhaps the biggest drivers of the racial and ethnic wealth gap today are the racial and ethnic disparities in rates of homeownership and in the financial returns associated with owning a home.

Today, the median white family holds eight times the wealth of the typical Black family and five times the wealth of the typical Latino family.

On June 1, 2021—the centennial of the Tulsa Race Massacre—President Biden announced the creation of an interagency initiative, the PAVE Task Force (“the Task Force”). Co-chaired by U.S. Department of Housing and Urban Development Secretary Marcia Fudge and White House Domestic Policy Advisor Susan Rice, the Task Force was directed to *evaluate the causes, extent, and consequences of appraisal bias and to establish a transformative set of recommendations to root out racial and ethnic bias in home valuations*. The 13 member



Tulsa Race Massacre of 1921

agencies and offices of the Task Force engaged philanthropic organizations, academics, civil rights leaders, housing industry stakeholders, and everyday Americans who currently own, or aspire to own, a home. The Task Force heard their stories, perspectives, and ideas. As a result of this engagement, the member agencies of the Task Force committed to a set of actions to help ensure that every American has a chance to build generational wealth through homeownership.

“Just imagine if instead of denying millions of Americans the ability to own their own home and build generational wealth, we made it possible for them to buy a home and build equity into that...home and provide for their families.”

President Joseph R. Biden , Jr.

This *Action Plan to Advance Property Appraisal and Valuation Equity (PAVE)* (“the Action Plan”) is the blueprint for how all Americans can benefit fairly from the equity built through homeownership.

Specifically, this Action Plan:

1. Outlines the historical role of racism in the valuation of residential property;
2. Examines the various forms of bias that can appear in residential property valuation practices; and
3. Describes affirmative steps that federal agencies will take to advance equity in the appraisal process, and outlines further recommendations that government and industry stakeholders can initiate.

The federal agency commitments outlined in this Action Plan *represent the first steps of the Task Force to*

ensure that every American has the same opportunity to build wealth through homeownership.

The impact of inequitable property valuation

Throughout the 20th century, people of color were denied equitable access to housing as federal, state, and local governments systematically implemented discriminatory policies that led to housing segregation. *These policies contributed to a gap between the values of homes in communities of color and predominantly white neighborhoods.* Despite the passage of civil rights laws, most notably the Fair Housing Act, that were designed to ensure equal opportunity for home ownership, market value disparities persist and are a significant factor in today's sprawling racial wealth gap.¹

The purpose and importance of appraisals

An appraisal is a critical element of homebuying and lending processes as it establishes the value of the property as the collateral for a home loan. The difference between a property's value and the homeowner's loan amount generally represents the homeowner's home equity. *One of the core benefits of homeownership is that a homeowner can build wealth by leveraging and growing that home equity.* Greater home equity makes it less likely that homeowners will fail to repay a mortgage if they experience financial hardship. Therefore, the property valuation is a critical input to the risk evaluations that surround the lending process.

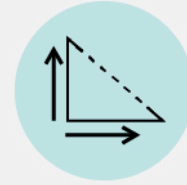
Home loan lenders hire appraisers specifically to provide independent, fair, and objective estimates of the market value of a property so that lenders can accurately evaluate risk. Most commonly, appraisers estimate the value of a home by comparing it to similar, recently sold properties in comparable neighborhoods. An appraiser's opinion of value is very dependent on that appraiser's selection of comparable properties and the adjustments and weighting the appraiser applies to those selections. This decision has subjective elements that

The Home Appraisal Process

Appraisers commonly inspect the following aspects of a home to estimate its value.



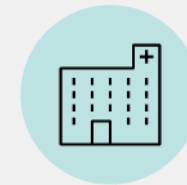
Overall condition of the house



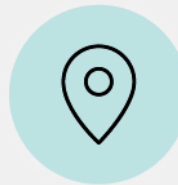
Square footage and lot size



Built-ins and additions



Surrounding amenities



Location of the home



Features of the home

depend on the expertise of the appraiser and the appraiser's familiarity with the neighborhood, resulting in a natural imprecision of the appraiser's estimate of the home's value.

New studies validate appraisal bias in the U.S. housing market

Researchers have observed a market value gap between majority-Black and majority-white neighborhoods for decades. On average, homes in majority-Black neighborhoods are valued at less than half of those in neighborhoods with few or no Black residents. Statistical analyses show that accounting for neighborhood and property characteristics and amenities—such as the age of the property or its proximity to public

transportation—does not explain the entire disparity.² Recent research has identified appraisals as one of the drivers of the gap.

New research from Freddie Mac (2021) using census data finds 12.5 percent of appraisals for home purchases in majority-Black neighborhoods and 15.4 percent in majority-Latino neighborhoods result in a value below the contract price (the amount a buyer is willing to pay for the property), compared to only 7.4 percent of appraisals in predominantly white neighborhoods.³ This research corroborates prior observations that a neighborhood’s average appraised property value tends to decrease as the share of historically marginalized populations increases.⁴

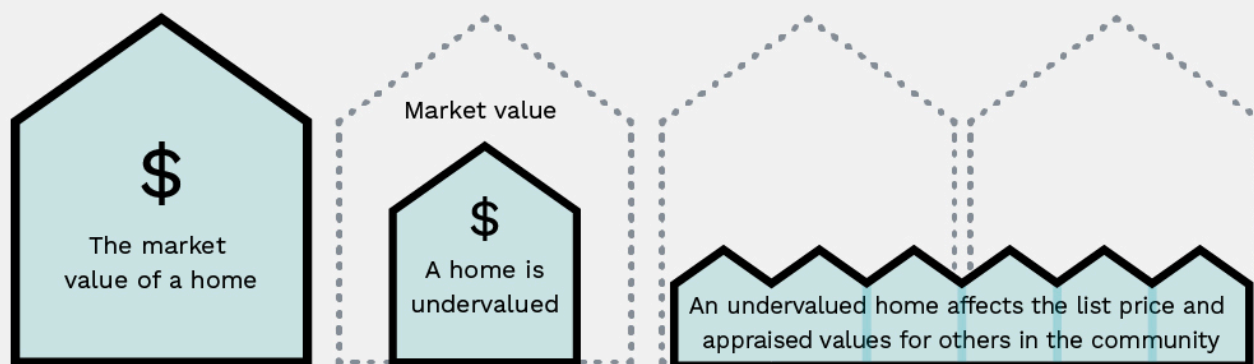
Very recently, a study of appraisal commentary (the free-form narrative section of an appraisal report, reflecting the appraiser’s reasoning for the property valuation opinion) revealed that appraisers sometimes make racial and ethnic references.⁵ For example, the study found that one appraiser wrote that a majority-white area was “not especially-diverse ethnically,” and another appraiser noted that residents of a “predominantly Hispanic” neighborhood have “assimilated their cultural heritage” into the neighborhood.

The impact of undervaluation for homebuyers, sellers, and communities

An appraisal that is below the contract price in a home sale can sometimes result in a higher required down payment for a home buyer. This unexpected, out-of-pocket increase can often cause a sale to fall through,⁶ *potentially preventing a prospective buyer from purchasing a home.* It can also result in a downward price renegotiation, helping the buyer, but reducing the seller’s financial gains, which may in turn hinder that family in purchasing their next home. A low valuation in a refinance transaction can be similarly damaging to a homeowner, reducing the cash-out available and in some cases affecting the refinance interest rate and mortgage insurance premiums the homeowner pays, which can result in substantial costs over time.

A widespread pattern of undervaluation in communities of color can impact an entire neighborhood. Each instance of a lower purchase price becomes a candidate for the next appraiser to choose as a comparable sale for the next appraisal in the community, carrying the impact of the lower value forward. Over time, even a slight imbalance of undervaluation can have a significant effect on the property values in a

Compounding Effects of Undervaluations



Over time, homeowners in the neighborhood experience less gain of home equity wealth when they sell or refinance their home. Depressed property values can increase the likelihood of low valuations on future sales.

community, and hence on the accumulated wealth of homeowners in that community. This effect can hinder families in that community from leveraging equity to pay for college, pay for repairs, or use as a buffer during a financial hardship. Reduced property values can also diminish the property tax revenue that funds the maintenance and improvement of community schools and amenities.

Which laws enforce appraisal equity?

Home appraisals, a critical component of the homebuying and lending processes, *fall within the scope of fair housing and fair lending laws.*

Congress enacted the landmark Fair Housing Act in 1968 to lift barriers that created separate and unequal neighborhoods on the basis of race, color, religion, and national origin. Subsequent amendments to the Fair Housing Act also prohibit discrimination on the basis of sex (which includes sexual orientation and gender identity), disability, and familial status. Similarly, the Equal Credit Opportunity Act (ECOA) prohibits discrimination by creditors on the basis of race, color, religion, national origin, sex, marital status, age, or whether all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act, including ECOA.

Despite the enactment of these laws, longstanding structural barriers have continued to serve as an impediment to homeownership. More than 50 years since the Fair Housing Act's passage, the racial homeownership gap is wider than ever: in 2021, the Black homeownership rate reached only 44 percent, while the white homeownership rate reached 74 percent.⁷ According to recent studies, eliminating racial disparities in rates of homeownership would shrink the wealth gap between Black

and white households by 31 percent and between Latino and white households by 28 percent.⁸ *Eliminating racial disparities in the amount of wealth families gain from owning a home would narrow the wealth gap by an additional 16 percent between Black and white households and by an additional 41 percent between Latino and white households.*⁹

Homeownership means more than shelter for many Americans; it is often their most important investment. Part of the dream of owning a home is that it presents an opportunity to not just “get by,” but to one day achieve a return on investment. *The President's formation of the Task Force was inspired by the moral imperative to fix inequitable policies and practices and, above all, by his commitment to provide every American with a fair shot at wealth and prosperity.*

“*I live in an all-Black community. My lot and house are bigger, yet my home is valued at \$25,000 less than the house two doors from me, which is an all-white community. The Biden-Harris Administration acknowledges that the communities of color like mine have lost billions of dollars solely through the appraisal process. We're committed to taking meaningful action to increase homeownership and generational wealth for all.*”

HUD Secretary Marcia L. Fudge

This document is intended as an action plan, not a report of high-level recommendations. *The Task Force focused on identifying concrete actions that agencies have committed to take to eliminate bias and advance equity in home appraisals.*

Agency Actions to Advance Valuation Equity

Strengthening guardrails against unlawful discrimination in all stages of residential valuation

- 1.1 Clarify the application of the Fair Housing Act and ECOA to the appraisal industry to ensure appraisers have clear guidance on antidiscrimination obligations under current federal laws.
- 1.2 Update agencies' and Government Sponsored Enterprises' appraisal-specific policies and guidance to reflect how nondiscrimination requirements apply to appraisers within these agencies' and Enterprises' programs.
- 1.3 Issue guidance and implement new policies to improve the processes by which a valuation may be reconsidered if the initial value is lower than expected.
- 1.4 Strengthen the standard appraisal dataset and data collection forms to reduce opportunities for appraisers to apply subjective criteria.
- 1.5 Address potential bias in the use of technology-based valuation tools through rulemaking related to Automated Valuation Models (AVMs).
- 1.6 Develop a legislative proposal that modernizes the governance structure of the appraisal industry to improve transparency and public participation in the establishment of appraisal standards and appraiser qualification criteria, and to advance diversity in the profession.

Enhancing fair housing / fair lending enforcement and driving accountability in the industry

- 2.1 Strengthen coordination among supervisory and enforcement agencies to identify discrimination in appraisals and other valuation processes.
- 2.2 Revise existing agreements between agencies involved in the enforcement of and compliance with fair lending and fair housing laws, as necessary, to increase collaboration among the agencies regarding appraisal discrimination.
- 2.3 Expand regulatory agency examination procedures of mortgage lenders to include identification of patterns of appraisal bias.

Building a well-trained, accessible, and diverse appraiser workforce

- 3.1 Update appraiser qualification criteria related to appraiser education, experience, and examination requirements to lower barriers to entry in the appraiser profession.
- 3.2 Increase engagement with states' appraisal regulatory agencies to help remove barriers to entry and advance diversity in the appraiser workforce.

- 3.3** Require appraisal anti-bias, fair housing, and fair lending training for all appraisers who conduct appraisals for federal programs and work with the appraisal industry to require such trainings for all appraisers.

Empowering consumers to take action

- 4.1** Update and clarify government resources for consumers who believe they may have experienced appraisal bias.
- 4.2** Incorporate appraisal bias information into first-time homebuyer education courses.
- 4.3** Train housing counselors to empower them to assist potential victims of appraisal bias as part of pre- and post-purchase homeownership counseling.
- 4.4** Provide funding opportunities for testing, education, and outreach pertaining to appraisal bias and discrimination.
- 4.5** Execute a coordinated public awareness campaign to inform consumers of their rights, as well as to disseminate the new resources that will be available to them.
- 4.6** Inform Federal Housing Administration (FHA) borrowers about the process to request a reconsideration of a valuation when the initial valuation is lower than expected.

Giving researchers and enforcement agencies better data to study and monitor valuation bias

- 5.1** Develop data-sharing arrangements among all relevant government agencies and pursue joint strategies to make appraisal-related data more widely available, foster federal research, and better enable enforcement related to appraisal bias.
- 5.2** Launch a standing interagency effort to identify and fill gaps in the current state of research and help inform future policy and enforcement priorities.
- 5.3** Define metrics that can help to identify and measure patterns of mis-valuation in the property valuation process.

Assessing additional policy and research efforts to ensure more equitable valuation

The Task Force identified several additional policy initiatives that may have the potential to make a significant difference in ensuring fair and accurate home valuations for all communities. These policy ideas require in-depth evaluation and research, greater input from stakeholders, and further exploration. The Task Force is committed to doing this work. In the coming months the Task Force will assess:

- Expanded use of alternatives to traditional appraisals as a means of reducing the prevalence and impact of appraisal bias.
- Use of value estimate ranges instead of an exact amount as a means of reducing the impact of racial or ethnic bias in appraisals.
- The potential use of alternatives and modifications to the sales comparison approach that may yield more accurate and equitable home valuation.
- Public sharing of aggregated historical appraisal data to foster development of unbiased valuation methods.

Given the historical and continued impact of federal policies that enabled the persistent mis-valuation of properties in communities of color, the Task Force has carefully crafted a set of commitments that will further valuation equity within the



housing market. This commitment is ongoing. The Task Force is indebted to the countless stakeholders who shared their stories and ideas. Additional policy and research efforts will continue to benefit from a diversity of voices working together toward the common goal of ensuring that the American Dream of homeownership is attainable for all.

Action Plan To Advance Property Appraisal And Valuation Equity

DIVERSE AND INCLUSIVE COMMUNITIES strengthen our democracy, yet the legacy of residential segregation remains ever-present in American society. While federal housing policies and programs historically expanded homeownership for some families of color, many others were still excluded.¹⁰ These policies also contributed to lending discrimination practices, such as mortgage redlining.^a

Today, access to housing and wealth through homeownership in the U.S. varies greatly by race and ethnicity; a contributing factor to this is the persistent mis-valuation of homes for families and communities of color.¹¹ In 2021, the homeownership rate for non-Hispanic white families was 74 percent, compared to 44 percent for Black families and 48 percent for Latino families.¹² On June 1, 2021, President Biden announced the creation of an Interagency Task Force on Property Appraisals and Valuation Equity (PAVE) (“the Task Force”) to combat inequity in home appraisals.

The Task Force’s systematic approach

Over the past 180 days, the Task Force has undertaken a collaborative and comprehensive approach toward identifying actions to address appraisal bias. *This approach involved extensive consultation with subject matter experts and leaders across industry, academia, trade and civil rights groups, and government.*

During the Task Force’s literature review and efforts to validate the contributing factors of appraisal bias, Task Force members held numerous listening sessions, engaging with more than 150 independent appraisers, appraisal management companies (AMCs), lenders, advocacy groups, and philanthropy organizations.

American Homeowners by Race and Ethnicity



44%
Black households
own their homes.



48%
Latino households
own their homes.



74%
White households
own their homes.

The Task Force also received stakeholder proposals and recommendations around issues of:

- Reconsiderations of Value (ROVs);
- Automated Valuation Models (AVMs);
- Technology innovations;
- Training;
- Data;
- Proposed solutions to increase diversity and access to the profession; and
- Other areas relating to advancing equity in valuations.

These stakeholder recommendations informed the agency commitments contained in this Action Plan. The Task Force hopes that these commitments will enable continued dialogue and collaboration with key

^a In this Action Plan we define redlining as a slight modification to the Federal Financial Institutions Examination Council’s (FFIEC’s) definition, namely as “a form of illegal [discrimination] in which a lender provides unequal access to credit, or unequal terms of credit, because of the race, color, national origin, or other prohibited characteristic(s) of the residents of the area in which the credit seeker resides or will reside or in which the residential property to be mortgaged is located.” (adapted from FFIEC, *Interagency Fair Lending Examination Procedures*, 2009, <https://www.ffiec.gov/pdf/fairlend.pdf>).

stakeholders in the appraisal and housing industry, advocates, consumers, and local communities.

How to read this Action Plan

This Action Plan: 1) describes the extent, causes, and consequences of mis-valuing residential properties; and 2) outlines a set of commitments to address the mis-valuing of properties. It provides a clear-eyed assessment of steps the Federal Government is committing to take in the short run to advance appraisal equity. *As such, the Action Plan is limited, with few exceptions, to actions that can be undertaken by federal agencies using existing authorities.*

The Action Plan also identifies a limited number of legislative proposals to further advance valuation equity. The independent agencies within the Task Force have not necessarily endorsed these legislative proposals at this time. The work of the Task Force supports the President’s “Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government,” which states that the Federal Government “...*should pursue a comprehensive approach to advancing equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality.*”¹³

Additionally, it responds to the President’s January 26, 2021 “Memorandum on Redressing Our Nation’s and the Federal Government’s History of Discriminatory Housing Practices and Policies,” which describes how “...a racial gap in homeownership” and the “...persistent undervaluation of properties owned by families of color” have inhibited equal opportunity and wealth-building opportunities.¹⁴

Definitions

For the purposes of this Action Plan, the Task Force defines “valuation equity” as a condition in which a residential property is equally likely to be accurately valued regardless of the race, ethnicity, national origin, or other protected characteristics of its residents or composition of its neighborhood.

This Action Plan often uses the term “racial and ethnic bias,” as described in the President’s “Memorandum on Redressing Our Nation’s and the Federal Government’s History of Discriminatory Housing Practices and Policies,” to refer to bias based on race, ethnicity, or national origin.

“*From Day One, the Biden-Harris Administration has put advancing equity and racial justice at the center of our work. By taking steps to eliminate bias in home valuations, this Action Plan will help us narrow the racial wealth gap and deliver a more equitable future for all Americans.*”

White House Domestic Policy Advisor Susan Rice

This Action Plan uses the term “valuation bias” to refer to bias based on race, ethnicity, or national origin in the residential valuation process performed as part of mortgage origination, regardless of the valuation method. The Action Plan uses the term “appraisal bias” to mean the same in the context of appraisals specifically (that is, an opinion of value rendered by a professional appraiser for residential real estate).

Scope

This Action Plan limited its scope to issues in the appraisal industry and does not attempt to address all forms of racial and ethnic bias in the housing market. The context of this Action Plan does not include appraisals performed to value non-residential real estate and personal property, nor does it encompass appraisals or other valuations performed for reasons other than support of mortgage lending.^b

Additionally, the Task Force identified several key topics that could not be fully addressed within the Task Force’s 180-day initial lifespan. This Action Plan identifies and discusses those topics as areas for the next phase of the Task Force’s work.

^b While this Action Plan focuses on residential appraisals, ECOA covers all lending, including commercial lending, and many of the principles and objectives highlighted in the report apply equally to commercial appraisals.

The History and Impact of Persistent Mis-Valuations

The homeownership gap and why it matters

SEVENTY-FOUR PERCENT of white American households own their homes, compared to only 48 percent of Latino American households and 44 percent of Black American households.¹⁵ The number of Black homeowners would need to increase by 5 million for the Black homeownership rate to reach that of white Americans.



Much of the gap in rates of homeownership can be traced to socio-economic factors that differ on average between Black and white homeowners¹⁶, but *Black Americans who do own homes hold less home equity, on average, than white homeowners.*¹⁷ An uneven recovery from the 2008 housing crisis cemented these differences: houses in majority-white neighborhoods regained value more quickly than those in comparable Black and Latino neighborhoods.¹⁸ Property characteristics and measures of neighborhood amenities may explain some of the gap in home values. However, a disparity persists even after adjusting for those factors.¹⁹

This gap is likely due to several factors, including:

- Direct impacts of residential segregation;
- Differences in neighborhood-level socio-economic factors that impact demand, that themselves may be remnants of past segregation; and

- An apparent pattern of racial and ethnic bias in appraisals.

The data show that a pattern of racial disparity in appraised values exists and that the discrepancy cannot be fully explained by other factors.^{20 21 22}

History of valuation bias in the U.S. housing market

The origins of bias in the appraisal industry

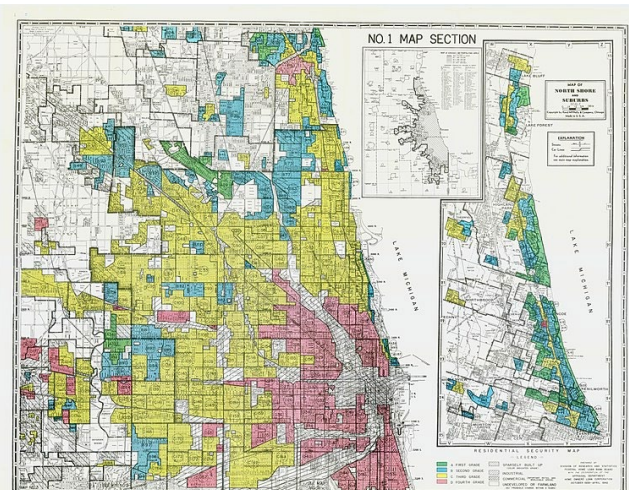
When the appraisal industry took shape in the 1930s, racism was embedded and commonplace. For example, one of the foundational documents of property appraisal practices, Frederick Babcock's influential 1931 manual "The Valuation of Real Estate," hypothesizes that neighborhood decline results inevitably from occupation by "...the poorest, most incompetent, and least desirable groups in the city," and describes how "...racial heritage and tendencies seem to be of paramount importance" in influencing property values. These perspectives toward property value influenced the mortgage underwriting of the Home Owners Loan Corporation (HOLC) and the Federal Housing Administration (FHA).

Role of HOLC in increasing valuation bias

Congress created HOLC in 1933 to refinance distressed mortgages from the Great Depression. Since these loans were based on the value of a home, the Federal Government created standards for property valuation. HOLC sought to broaden borrower eligibility and encourage lender participation, and hence generally encouraged overvaluation in its valuation guidelines.²³ However, HOLC's policies classified some neighborhoods as bearing higher collateral risk.

HOLC's City Survey Program created residential security maps in which it assigned urban neighborhoods a ranking from A-rated ("best") (shaded in green) to D-rated ("hazardous") (shaded in red), as a guide to help the lending industry evaluate risk. Lenders considered areas classified as "hazardous" as bearing high financial risk and would often refuse to make loans collateralized by properties in those areas.

Studies have shown that these "redlined" D-rated neighborhoods had a strong association with racial composition. Historian Kenneth Jackson stated that "Black neighborhoods were invariably rated 'D,' as were any areas characterized by poor maintenance, poverty, or vandalism."²⁴ Recent research has questioned whether the HOLC's maps were responsible for changes in lending patterns or whether they codified the practice of racialized valuation that already existed.²⁵ Regardless, on average, home values in communities of color lagged those in white neighborhoods.



HOLC Residential Security Map for Chicago, IL. Areas marked in red were denied home mortgage loans by lenders due to their perceived credit risk.

The role of FHA in increasing valuation bias

Similar to HOLC, FHA's policies also included a neighborhood risk rating methodology, which it incorporated into its underwriting manual. FHA's underwriting manual spoke to the risk of neighborhoods declining in value due to "adverse influences." The FHA underwriting manual from 1936 stated, "Usually the protection against adverse influences afforded by these means include prevention of the infiltration of business and industrial uses, lower-class occupancy, and *inharmonious racial groups*"²⁶ (emphasis added).

To avoid these "adverse influences," FHA's underwriting guidance encouraged lenders to consider restrictive covenants and zoning mechanisms as positive factors. Appraisers absorbed these race-based risk assumptions into their valuation practices. This contributed to the exclusion of Black neighborhoods from certain mortgage products. These practices limited Black households' access to homeownership.

In response, predatory agents sold Black households "FHA approved" dilapidated homes at inflated prices.^{27 28} Meanwhile, white borrowers with access to suburban housing benefited from access to mortgages with lower down payments and longer amortization schedules.²⁹

Enactment of the Fair Housing Act and ECOA

The 1960s saw many discriminatory federal housing policies begin to be dismantled.^c The Fair Housing Act of 1968 made it unlawful to discriminate against any person because of race, color, religion, or national origin in the provision of housing or in housing-related transactions. In 1974, Congress amended the Fair Housing Act to prohibit discrimination on the basis of sex. In 1988, it was amended to include disability and familial

^c For example, Executive Order 11062 (November 1962) prohibited discrimination in the sale, leasing, rental, or other disposition of properties owned or operated by the Federal Government or provided with federal funds.

status as protected characteristics.³⁰ The Fair Housing Act also requires that all federal programs relating to housing and urban development be administered in a manner that affirmatively furthers fair housing.

Additionally, Congress enacted ECOA in 1974 to require that all individuals have an equal opportunity to obtain loans and other types of credit from financial institutions and lenders.

Yet, as initially enacted, the Fair Housing Act did not explicitly include property appraisals. As a result, the appraisal industry continued to use neighborhood demographics in property valuations. The Department of Justice (DOJ) sued four professional appraisal organizations in 1976, alleging they had “engaged in unlawful discriminatory practices by promulgating standards which have caused appraisers and lenders to treat race and national origin as negative factors in determining the value of dwellings and in evaluating the soundness of home loans.” DOJ also alleged that they had failed to “take adequate steps to correct the continuing effect of past discrimination and ensure non-discrimination by appraisers and lenders.”³¹

The resulting settlement required the defendants to adopt policy statements that clarified that the practice of treating race, ethnicity, or religion as a negative factor in real estate appraisals was unlawful. When Congress amended the Fair Housing Act in 1988, it *explicitly included appraising of residential real property* as a covered residential real estate-related transaction.³²

Appraisals in the U.S. housing market

An appraiser’s role is to provide an independent, objective, and unbiased opinion of the estimated market value of a residential property. Appraisers prepare appraisal reports for several reasons; this Action Plan primarily focuses on appraisals performed in support of mortgage lending. Appraisals are not the sole method of valuing residential

The Fair Housing Act

The Fair Housing Act prohibits discrimination in the sale, rental, and financing of housing based on race, color, national origin, religion, sex, familial status, and disability.



1968

The Fair Housing Act is enacted **to lift barriers** that created separate and unequal neighborhoods on the basis of race, color, religion, and national origin.



1974

Congress amends **to prohibit discrimination based on sex.**



1988

Congress amends **to explicitly include appraisals.**

Equal Credit Opportunity Act

Congress enacts ECOA in 1974 to promote the availability of credit to applicants without regard to race, color, national origin, sex, marital status, or age.

properties, but they are required in most purchase transactions, as well as in many refinance transactions. In mortgage lending appraisals, the borrower typically pays for the appraisal, but the lender is typically the appraiser’s client and is the intended user of the appraisal report.

The appraiser conducts the appraisal to both the standards of the Uniform Standards of Professional Appraisal Practice (USPAP) and to the requirements of the lender, which is in turn fulfilling its obligations to the ultimate holder of credit risk (e.g., the Government Sponsored Enterprises, Fannie Mae and Freddie Mac (“Enterprises”); or FHA, the U.S. Department of Veterans Affairs

(VA), or the U.S. Department of Agriculture (USDA), in many cases). Of note, in appraisals for VA loans, VA makes appraisal assignments on a rotational basis to VA fee-panel appraisers, so the process differs slightly.

In mortgage lending, *it is critical that the lender understands the value of the property collateralizing the mortgage loan.* The difference between the property value and the loan amount is a close proxy for the homeowner's home equity. Lenders calculate a metric called the loan-to-value (LTV) ratio to capture the impact of home equity as one of the dimensions of credit risk (credit risk is the risk of a lender taking losses if a borrower defaults on a mortgage). A borrower's home equity is predictive of both a borrower's likelihood of defaulting on the loan and the credit losses associated with the default.

All else equal, if a homeowner is facing financial hardship, but possesses significant home equity, the homeowner has both the motivation to avoid losing his or her home equity and options to avoid a default. Hence, an accurate property valuation is vital information for the holder of credit risk on a mortgage.

In a home purchase transaction, the mortgage appraisal also has value for the buyer, as the appraiser's opinion can also be a safeguard for the buyer against overpaying.



Appraisers traditionally estimate value by three approaches: sales comparison, cost, and income. The sales comparison approach is the primary practice for residential properties, in part due to guidance from the Enterprises and government insuring or guaranteeing agencies such as the U.S. Department of Housing and Urban Development (HUD), VA, and USDA. Under the sales comparison approach, the appraiser identifies recent nearby property sales with similar characteristics (comparable properties, or “comps”). The appraiser then adjusts the comp sales prices for observable differences in property characteristics, weighted by the appraiser's discretion, and then aggregates this to formulate a justifiable valuation for the subject property.

The appraiser uses his or her discretion in choosing and adjusting comps, and in weighting each comp sale's contributions to the value estimate. The appraisal's final value estimate—the appraiser's opinion of value—is sensitive to the appraiser's comp choices. An appraiser's decisions here are informed by his or her expertise and familiarity with the neighborhood and region, a competency that USPAP requires appraisers to demonstrate. Because of the importance of the appraiser's professional expertise, *there is a natural imprecision in the appraiser's valuation estimate* and a natural sensitivity to the subjective elements of the appraisal.

The degree of subjectivity embedded in an appraiser's work means that an appraiser can reasonably justify a range of values. For purposes of supporting lending, an appraiser uses his or her expert discretion to choose a single point value. In a purchase transaction with a contract price against which to compare, appraisal point value estimates can therefore reasonably land above or below the contract price.

Evidence of mis-valuations

Overvaluation and why it matters

When a property in a purchase transaction is appraised at more than a reasonable estimation of its

fair market value, it is an overvaluation. In purchase transactions, the appraised value is heavily swayed by the anchor of the contract price between the buyer and seller. Therefore, most purchase appraisals result in values that meet, or slightly exceed, the contract price, but may still be reasonable.

A recent study using Fannie Mae data found that 92.1 percent of appraised values on purchase transactions were equal to or above the contract price.³³ While most of these were within a reasonable range of the contract price, studies have shown that appraisals are likely affected by a form of upward confirmation bias that results from an incentive inherent to purchase appraisals.

As one report notes, when a buyer, seller, lender, and appraiser all have distinct financial interests in a sale and “[t]he appraiser understands the financial implications of having no transactions and, at the same time, wants repeat business via referrals...[t]he way to ensure the deal is to appraise slightly high.”³⁴ Other studies have borne out the prevalence of valuations above contract price in purchase appraisals and the reasons for it.³⁵ Some of the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act³⁶ (Dodd-Frank Act or Dodd-Frank) were written with an intention to mitigate this long-studied phenomenon.

Prior to 2008, systemic overvaluation helped support the rapid increase in home prices that set the conditions for the financial crisis.³⁷ In the wake of the crisis, the Enterprises implemented the Home Valuation Code of Conduct (HVCC), later replaced by portions of Dodd-Frank, in part to remove as much of the overvaluation incentive as possible by creating a degree of independence between the appraiser and the lender.

Even today, valuations above contract price are common.³⁸ Valuations above contract price in purchase transactions rarely cause problems with the purchase itself, but to the extent that they support a transaction out of line with market value, they may result in the



credit-risk holder undervaluing its risk, and may speed up irrational inflation of property values.

Undervaluation and why it matters

While overvaluations introduce their own issues, recent studies have focused on *undervaluation patterns as creating a more harmful outcome for Black and other historically marginalized homebuyers*. While purchase transaction appraisals lower than contract price are not common, they appear to be *less* common in majority-white neighborhoods than they are in Black and Latino neighborhoods.³⁹

For the purposes of this Action Plan, the Task Force will use the term undervaluation to refer to valuation estimates less than a reasonable estimation of market value, understanding that there is imprecision in that term. In purchase appraisals, when a property appraises at less than the contract price, it may be the sign of an undervaluation. A purchase appraisal below contract price is not necessarily inaccurate or harmful. In fact, an appraiser’s well-considered valuation that is less than a contract price can serve precisely as the control that appraisers are hired to provide. A fully justifiable valuation less than contract price can benefit both the buyer (who may then be prevented from overpaying) and the credit risk holder.

Yet, an unfair or inaccurate undervaluation in a purchase transaction can be harmful to multiple parties.⁴⁰

⁴¹ If an appraisal “comes in low,” the seller is not obligated to accept a lower contract price in response to the appraisal.

Especially in a seller’s market, the seller may be willing to bet that another bidder’s appraisal will “come in higher.” In those cases, the original buyer’s lender often cannot justify increasing the loan beyond underwriting guidelines, and hence may ask the buyer to come up with additional funding to make the deal work. Obtaining more funding can be difficult for many borrowers, especially borrowers of color, whose median wealth lags that of white borrowers.^d

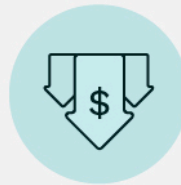
As a result, a below-contract purchase appraisal increases the likelihood by 7 percent that a property sale will be delayed or not completed.⁴² This may harm both the buyer and the seller, as the buyer is unable to purchase the home, and the seller is unable to realize potential gains from the sale.

An undervaluation can also impact whether a borrower has to pay a mortgage insurance premium and the amount of that premium—costs which could significantly increase a borrower’s total monthly housing expenses. If a low valuation causes a borrower to have to cover the difference between the contract price and the appraised value, this could reduce the borrower’s down payment to the point where it prompts a private mortgage insurance (PMI) cost.

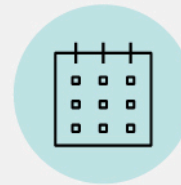
Alternatively, it is possible that the seller accepts a lower sales price supported by the lower appraisal. Studies have found that this is the most likely outcome of a valuation less than contract price.⁴³ While this outcome is helpful to the buyer, *it limits the seller’s realized home equity gains and therefore impacts the seller’s wealth.*

^d VA recognizes that low valuations can be harmful to veteran homebuyers, but uniquely features a procedure called Tidewater by which the veteran, lender, and agents are alerted if an appraiser needs additional information to support a contract price, allowing these parties a window of opportunity that could help the appraiser form a more accurate opinion of value. However, Tidewater is unique to VA because of the nature of its loan guaranty program as a benefit for veterans.

Why do Borrowers Refinance their Homes?



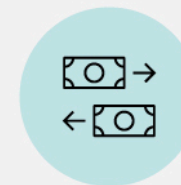
Lower monthly payments or interest rates



Shorten the term of the mortgage



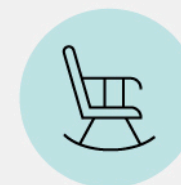
Pay for home repairs



Buffer during financial hardship



College payments



Retirement

In a refinance transaction, there is no immediate contract price informing the appraisal. However, the appraiser’s valuation still matters to all parties. A low valuation in a refinance transaction can result in the lender lowering the amounts available to borrow, or charging higher points or a higher interest rate as compensation for the apparent greater credit risk. In some cases, it can result in the borrower not being eligible for the refinance. In the common case where borrowers are seeking to access some of their realized home equity via a

cash out refinance, a low valuation can reduce the amount of equity available to the borrower. For refinancing homeowners paying PMI, the home's valuation can also impact whether the homeowner will be eligible to drop the PMI coverage, thus avoiding a costly monthly premium.

An individual undervaluation in a purchase transaction can affect valuations throughout the subject property's neighborhood when it results in a renegotiation of the contract price. This lower contract price and sale then becomes a strong candidate for the next appraiser to choose the lower-priced sale as a comparable sale when appraising other homes in the same neighborhood.

When a neighborhood exhibits a pattern of low appraisals, the cumulative effect is a dampening of home values in that neighborhood, thus reducing the realized wealth of all of the neighborhood's homeowners. Compounded over time, even a slight imbalance of undervaluation can have a significant

effect on the accumulated wealth of the homeowners of a community.

An undervaluation in a refinance does not generally have the same influence because it does not result in a publicly transparent transaction. An appraisal above contract price in a purchase transaction does not exhibit an opposite positive effect because it does not prompt a contract price renegotiation.

Patterns of racial disparities in mis-valuations

A recent study found evidence that purchase appraisals are more likely to be below contract price in communities of color. Using data from 2015 through 2020, Freddie Mac demonstrated in a 2021 study that 7.4 percent of appraisals in purchase transactions for properties in majority-white census tracts came in below contract price, compared to 12.5 percent of those in majority-Black neighborhoods and 15.4 percent in majority-Latino neighborhoods.⁴⁴



If these results are indicative of past patterns, then *this would have a long-term depressive effect on home prices in Black and Latino neighborhoods.* In turn, this would have contributed to at least some of the racial gap in home equity wealth. Notably, the Freddie Mac study examines the prevalence of low valuations in neighborhoods and communities of color, but not the size or impact of those low valuations. However, prior evidence suggests that patterns of undervaluation, whether racially biased or not, can harm both buyers and existing homeowners who seek to sell or refinance.⁴⁵

Undervaluation patterns in neighborhoods are not always directly traceable to racial and ethnic bias in individual appraisals. Housing markets with more distressed properties, fewer transactions, or rapid house price growth are correlated with undervaluation. Similarly, one-bedroom, older, and lower-valued properties are correlated with underappraisals.⁴⁶

In purchase transaction cases where an appraiser has a large selection of similar and recent comps from which to choose, appraisers tend to choose comps and make comp weighting adjustments that reinforce the contract price.⁴⁷ Past research has demonstrated that Black and Latino neighborhoods are more likely to be “thin” markets with fewer closely-comparable properties. As a result, those markets are particularly sensitive to the subjectivity inherent in the sales comparison approach to appraisals.^{48 49} In other words, Black and Latino neighborhoods can be more exposed to the subjective aspect of appraisals. *This sets the conditions for a magnified impact of racial and ethnic bias.*

More recent research suggests that appraisers’ comp selection for properties in Black neighborhoods may subtly differ from that for properties in white neighborhoods. Freddie Mac’s 2021 study found a statistically significant difference in the geographic distance between subject properties and their chosen comps when comparing subject properties in majority-Black and -Latino versus

majority-white neighborhoods. Appraisers appeared to choose comps for Black and Latino neighborhood properties in a narrower geographic range, in both urban and suburban areas.⁵⁰ This requires further study, but may show that appraisers choose comps differently for properties in Black and Latino neighborhoods.

Very recent research examined appraisals in refinance transactions by comparing appraisal valuations with those predicted by AVMs. The study found that appraised values in majority-Black neighborhoods are more likely to exceed AVM predictions by more than 10 percent in cases where the homeowner is white, and that this pattern is strongest in several southern states.⁵¹

The same study examined the drivers of the valuation differences and found differences in appraisers’ comp selection decisions between appraisals where the property’s homeowner was white and cases where the property’s homeowner was Black.

Past studies have pointed out the amount of discretion appraisers have in comp selection and have made the case that implicit perceptions of neighborhoods’ racial and ethnic characteristics—themselves influenced by the historical inequalities discussed above—may affect appraisers’ comp selection and weighting decisions.⁵²

Another study presented evidence that, after adjusting for property characteristics and measures of



neighborhood amenities that differ between Black and white neighborhoods, an unexplained valuation gap persists.⁵³ Still, other studies have attempted to check appraisal accuracy in refinances and reverse mortgages where no sales are available, but only very recent studies have examined potential racial and ethnic bias in these transactions.^{54 55 56 57}

The impact of mis-valuations on families and communities of color

Accounting for the breadth of the literature, evidence suggests that racial and ethnic bias has been a contributing factor to the depressed values that appraisers in purchase transactions assign to properties in majority-Black and -Latino neighborhoods. Evidence also suggests that racial and ethnic bias affects refinance valuations as well.⁵⁸ Via this mechanism, *Black homeowners today are losing wealth-building potential* in part because of the perpetuation of historical discrimination and segregation.⁵⁹

Property appraisals used in real estate transactions and mortgage lending are not the only valuations that may be vulnerable to racial and ethnic bias. Many jurisdictions generate revenue through a property tax that is based on a home's assessed value.

As with property appraisals, there is a legacy of racial discrimination in property tax assessments, though it is driven by different factors than those of residential lending valuations. This effect has taken the form of systemic relative overassessment

of Black-owned properties and neighborhoods for taxation, and therefore relatively higher tax burdens.^{60 61 62 63}

The increased costs of higher tax burdens may be capitalized into lower sales prices. This may result in lower market value in historically marginalized neighborhoods, thus piling on to the apparent impact of racial and ethnic bias in mortgage transaction valuations. The Task Force has focused on appraisals performed in support of residential lending, but is aware that appraisals are not the only form of property valuation that affect communities of color.



Early Progress Toward Transformation

SINCE THE INITIAL MEETING of the Task Force in August 2021, member agencies immediately engaged in exploring opportunities to advance equity. Task Force member agencies have taken the following actions prior to the issuance of this Action Plan:

✓ Emphasized fair housing compliance for the FHA Appraisal Roster

After the inception of the Task Force, HUD issued Mortgagee Letter (ML) 21-27 on November 17, 2021,⁶⁴ clarifying existing nondiscrimination requirements and the application of the Fair Housing Act to appraisers on the FHA Appraiser Roster. Specifically, this ML updated HUD Handbook 4000.1, Section I.B.1.d.i, Appraisers Post-Approval Requirements, to emphasize compliance with all applicable laws, including the Fair Housing Act and all other federal, state, and local antidiscrimination laws. It also added clarifying language to Section II.A.3.a.v, Quality of Appraisal, to emphasize the requirement for the mortgagee to ensure the appraisal complies with all such laws. Lastly, the ML restructured Section II.D.2, General Appraiser Requirements, into subsections to include and clarify guidance specific to nondiscrimination and compliance with FHA guidelines and appraiser conduct.

✓ Initiated a review of equity in appraisal professional standards and qualifications for the appraisal industry

The Appraisal Subcommittee (ASC) released an independent comprehensive legal and policy review of the USPAP and the *Real Property Appraiser Qualification Criteria*, as established by The Appraisal Foundation's (TAF's) Appraisal Standards Board (ASB) and Appraiser Qualifications Board (AQB) respectively, as well as the 15-Hour National USPAP and 7-Hour National USPAP Update Courses required to attain and maintain licensure as an appraiser. The ASC will evaluate the study and use it to improve the appraisal regulatory system to promote fairness, equity, objectivity, and diversity in appraisals and the training and credentialing of appraisers.

✓ Assisted banks in providing fair, unbiased services to communities of color

The Office of the Comptroller of the Currency (OCC) launched Project Roundtable for Economic Access and Change (REACH), a consortium of leaders from the banking industry and civil rights organizations. Project REACH is working to facilitate improvements in the home appraisal and property valuation process, making sure that banks have the valuation information and data they need to underwrite their loans and manage their risks, and that the process is fair, objective, and free from bias.⁶⁵ Since its formation, Project REACH has initiated a number of working groups and projects aimed at addressing the racial wealth gap in homeownership, including targeted regional initiatives to expand homeownership for borrowers of color. For example, its Minority Depository Institution Pledge brought together over 20 banks “to invest in and support minority depository institutions to help them expand financial and capital access and narrow the racial wealth gap in the communities they serve.”⁶⁶

Enhanced enforcement and data sharing through coordination

In August 2021, HUD and the Federal Housing Finance Agency (FHFA) entered into a collaborative agreement to foster fair housing and fair lending coordination. Under this memorandum of understanding (MOU), the two agencies will focus on enhancing their enforcement of the Fair Housing Act, which HUD is primarily charged with administering and enforcing, and their oversight of the Enterprises and the Federal Home Loan Banks (collectively, the regulated entities), all of which FHFA regulates. The MOU will strengthen the agencies' ability to enforce fair housing and fair lending requirements, including those within the appraisal process, by promoting information sharing, coordination on investigations, compliance reviews, and the ongoing monitoring of the Enterprises.

Supported the enhancement of guidance related to appraisal bias

In December 2020, FHFA issued a Request for Input (RFI) on appraisal-related policies, practices, and processes to gather input on how the Enterprises can improve the appraisal process. After reviewing data, appraisals, and other property valuations, FHFA publicly shared examples of the findings from this review, including references to race and ethnicity in the "Neighborhood Description" and other free-form text fields in the appraisal form. In November 2021, FHFA approved Fannie Mae's clarification to the Appraisals section of its Selling Guide to expressly prohibit purchase of mortgages based on valuations referencing or based on a protected class under the Fair Housing Act. Fannie Mae also added to its list of prohibited phrases in appraisals, identifying subjective statements that may be associated with bias. FHFA has also made it a requirement for the Enterprises to take additional steps to address appraisal bias in the 2022 Scorecard, which provides further incentive for change as the Scorecard is used to evaluate performance, influencing compensation for Fannie Mae and Freddie Mac executives. Finally, FHFA issued advisory bulletin (AB) 2021-04: Enterprise Fair Lending and Fair Housing Compliance, which established a supervisory expectation that the Enterprises not rely on discriminatory appraisals.

Expanded pandemic-era appraisal options that may reduce opportunities for bias

In October 2021, FHFA announced that both Enterprises will incorporate "desktop appraisals" into their Selling Guides for many new purchase loans starting in March 2022. In March 2020, FHA also temporarily permitted optional "desktop appraisals"⁶⁷ in response to the COVID-19 pandemic. Desktop appraisals allow an appraiser to conduct an appraisal remotely, without a physical inspection of the property, which could limit the potential for racial or ethnic bias to impact the valuation. FHFA's decision was the result of a thorough review of data collected from use of the loan flexibilities, as well as input received from its RFI and a public listening session on appraisal-related policies, practices, and processes.

Advanced equity in the appraiser workforce through scholarships and other diversity, equity, and inclusion initiatives

Over the past several years, the Enterprises have partnered with the National Urban League and the Appraisal Institute on the Appraiser Diversity Initiative (ADI), an initiative to attract new entrants to the residential appraisal field. ADI is intended to foster diversity and overcome barriers to

entry by expanding outreach and awareness of appraisal and valuation equity initiatives. ADI offers workshops to inform aspiring appraisers about the requirements to become an appraiser and the career opportunities available. ADI also offers scholarships to aspiring appraisers to assist with the appraiser education, training, and experience requirements. Additionally, ADI's industry partners, including lenders and mortgage advisors, help facilitate appraiser-supervisor relationships with appraiser trainees to help lower barriers to entry for the profession.

Encouraged the appraisal industry to align its antidiscrimination standards with those of federal law

On February 4, 2022, the Consumer Financial Protection Bureau (CFPB), the Federal Reserve Board (FRB), OCC, the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), HUD, FHFA, and DOJ sent a comment letter to TAF regarding the current draft of the 2023 Edition of USPAP standards, advocating for consistency with all applicable nondiscrimination standards provided in federal law. USPAP provides that “[a]n appraiser must not use or rely on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.” The Fair Housing Act and ECOA together prohibit all discrimination in home appraisals based on race or other protected characteristics, not just “unsupported” conclusions based on protected characteristics. The letter also reemphasized the fact that the provisions of the Fair Housing Act and ECOA that prohibit discrimination extend to appraisals.

Clarified that the Fair Housing Act prohibits discrimination in appraisals

On February 14, 2022, DOJ filed a statement of interest to make clear that the Fair Housing Act prohibits discrimination in home appraisals. The statement relates to a motion to dismiss filed in *Austin, et al. v. Miller, et al.* (N.D. Cal.), a private lawsuit alleging that the defendants violated the Fair Housing Act by discriminating on the basis of race in a home appraisal. After the defendants' appraisal, the plaintiffs – a Black couple – erased all evidence of race from their home and had a white friend pose as the homeowner for a second appraisal, which set the home's value at nearly \$500,000 more. The statement of interest explains that appraisers may be liable under the Fair Housing Act, highlights the United States' commitment to combat appraisal discrimination, provides an overview of the Fair Housing Act's broad purpose and remedial intent, and addresses the pleading standard for Fair Housing Act claims.

Task Force Commitments

The Task Force has grouped its commitments into the following categories:



Strengthening guardrails against unlawful discrimination in all stages of residential valuation



Enhancing fair housing / fair lending enforcement and driving accountability in the industry



Building a well-trained, accessible, and diverse appraiser workforce



Empowering consumers to take action



Giving researchers and enforcement agencies better data to study and monitor valuation bias

Additionally, the Task Force has identified several areas which require more analysis than the Task Force's 180-day timeline allowed, but which have the potential to make a significant difference in ensuring fair and accurate home valuations for all communities. This Action Plan discusses those areas following the discussion of the above commitments.

The Task Force believes that *these actions will substantially reduce the prevalence and impact of racial and ethnic bias in residential property valuation.*



1. Strengthening guardrails against unlawful discrimination in all stages of residential valuation

Regulators, and agencies with regulatory responsibilities, play a critical role in advancing appraisal equity by providing supervision, regulation, and oversight over key actors in the mortgage and appraisal industry. Federal banking supervisory agencies and regulators represented within the Task Force exercise broad oversight and compliance authority over the lending practices of:

- National- and state-chartered mortgage lenders;
- Non-depository mortgage originators and servicers;
- Federal Home Loan Banks; and
- Fannie Mae and Freddie Mac.

The Fair Housing Act not only covers the lending practices of these entities but also directly covers actors in the appraisal industry, including appraisers and AMCs. Nearly all segments of the residential home lending market are regulated or influenced by one or more Task Force member agencies, including:

- Conventional loans purchased by the Enterprises (FHFA);
- Loans insured or guaranteed by HUD, VA, and USDA;
- Other loan products (e.g., jumbo loans, etc.) originated by depositories (FRB, FDIC, OCC, NCUA, CFPB); and
- CFPB authorities with respect to consumer lending.

Task Force agencies generally exercise oversight and compliance authority through:

- The issuance of guidance and regulations;
- Examination of banking and lending practices;
- Administrative or other legal enforcement actions and penalties for non-compliance; and
- Consumer outreach and education.

As part of its mission to address discrimination in the appraisal industry, the Task Force evaluated regulatory action that may be undertaken to better address racial and ethnic bias in home valuations. It also defined a set of commitments to improve effective oversight for property valuation by both government entities and industry stakeholders.

Action 1.1

Clarify the application of the Fair Housing Act and ECOA to the appraisal industry to ensure appraisers have clear guidance on antidiscrimination obligations under current federal laws.

Although FHA recently issued guidance on the application of the Fair Housing Act to appraisers on the FHA Appraiser Roster, there is no federal guidance dedicated to the broad application of the Fair Housing Act and ECOA to the appraisal industry as a whole. In the absence of this guidance, the appraisal industry lacks clarity around its antidiscrimination obligations under current federal laws.

Actions:

- CFPB, DOJ, VA, and HUD will issue guidance on the Fair Housing Act's and ECOA's application to the appraisal industry.

Action 1.2

Update agencies' and Enterprises' appraisal-specific policies and guidance to reflect how nondiscrimination requirements apply to appraisers within these agencies' and Enterprises' programs.

Consistent with the Fair Housing Act and ECOA, the federal financial regulators, HUD, USDA, VA, and the Enterprises, have policies that prohibit discrimination and require all participants to comply with the Fair Housing Act and ECOA. However, not all have specific guidance directed to appraisers or regulated institutions' use of appraisals.

As a result, appraisers working within guidelines of insuring agency or Enterprise programs might not understand how they are expected to apply the Fair Housing Act and ECOA to those programs. Likewise, appraisers performing work for financial institutions under the purview of regulatory or other agencies might not understand how they are expected to apply the same laws, specific to those institutions.

Actions:

- NCUA, FRB, FDIC, OCC, HUD, USDA, VA, and FHFA will ensure that appraisers or regulated institutions' use of appraisals are directly included in supervisory Fair Housing Act and ECOA compliance requirements, and are considered in every review of relevant existing and future policies and guidance.

Action 1.3

Issue guidance and implement new policies to improve the processes by which a valuation may be reconsidered if the initial valuation is lower than expected.

A reconsideration of value (ROV) may be requested by consumers to reassess the analysis and conclusions of their initial appraisal when provided with additional information that may affect the value conclusion. Consumers can provide information to a lender during an ROV request that includes additional comparable property information and additional information pertaining to characteristics of the subject property, such as square footage. An ROV offers consumers who suspect that their appraisal may have been influenced by racial or ethnic bias an avenue by which they might be able to request a different valuation that results in a better outcome.

In 2018, TAF issued a white paper recognizing the lack of consistent, industrywide policies and guidelines related to the ROV process and identifying a need for greater awareness of the ROV process and consistency in methods. More recently, a HUD investigation and conciliation pursuant to the Fair Housing Act emphasized the need for lenders to have clear, robust ROV processes—a need also highlighted by multiple recent news stories.

Under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the prudential regulators (NCUA, OCC, FDIC, and FRB) currently require depository lenders to review appraisals conducted on their behalf and ensure that they comply with USPAP. Today, USPAP standards do not specifically address how ROVs can be considered in appraisal review processes. Title XI also provides that an agency “may require compliance with additional [appraisal] standards if it makes a determination in writing that such additional standards are required in order to properly carry out its statutory responsibilities.”

However, most of the federal financial regulators and agencies with regulatory responsibility currently do not offer guidance on ROV processes. Prudential regulators are exploring ways to utilize their ability to supervise lenders and lender appraisal practices to help ensure that valuations are free of bias and that reconsideration options are available as necessary.

Actions:

- HUD will require FHA lenders to track usage and outcomes of ROVs and to report this data to FHA via FHA systems, leveraging insight from VA’s existing ROV process where helpful, so that HUD can better identify patterns of ROV usage and evaluate the impact ROVs might have on possible discrimination.
- NCUA, FDIC, OCC, and FRB will issue guidance regarding ROVs. Issues that the agencies will consider addressing in the guidance would include examples of effective practices in using ROVs, and whether there are any measures that lenders can take to encourage greater use of ROVs. Prudential regulators will also review authorities and determine the potential for rulemaking related to ROV processes, as rulemaking would drive additional accountability beyond that of guidance.

Action 1.4

Strengthen the standard appraisal dataset and data collection forms to reduce opportunities for appraisers to apply subjective criteria.

Lenders must submit appraisals as a part of mortgage loans sold to Fannie Mae and Freddie Mac. Lenders submit appraisals electronically and in compliance with the Uniform Appraisal Dataset (UAD) and the related Uniform Residential Appraisal Report (URAR) form, which standardize definitions, requirements, and responses for appraisals. The UAD and URAR are also used to inform the Enterprises' AVMs. FHFA is currently guiding a UAD and Forms Redesign Initiative for the industry.

In 2021, FHFA conducted a review of historical appraisals⁶⁸ that revealed many overt and indirect references to race, ethnicity, and other prohibited traits in certain commentary fields. FHFA's analysis suggests that in certain instances, race and ethnicity can factor into an appraiser's opinion of value. FHFA released examples of its findings to the public, specifically in appraisers' commentary about neighborhoods' impact on home values, including references to:

- Neighborhood amenities geared to a racial, ethnic, or religious group;
- Neighborhoods' historical immigration and demographic transition patterns;
- Languages spoken in an area; and
- Racial and ethnic makeup as part of neighborhood descriptions.

Currently, the form reminds the appraiser that race and the racial composition of the neighborhood are not appraisal factors, and the appraiser must certify that race and other protected classes didn't factor into the valuation opinion. However, this recent FHFA analysis has found evidence that racial and ethnic factors can sometimes still be mentioned within the free-form commentary fields of the form. As the Enterprises are modernizing the form and the associated dataset, they should strengthen the form so that there is less opportunity for appraisers to apply subjective (and therefore potentially biased) criteria, while protecting the ability of the appraiser to value investments in the property and other intangibles that cannot be perfectly captured via quantitative fields. Less reliance on free-form text will also allow other stakeholders (such as lenders and AMCs) to better recognize instances where the appraisal does not adhere to discrimination prohibitions.

Additionally, the data collected on the existing form and related dataset may fall short of giving researchers the complete picture they need to resolve unanswered questions about appraisal bias and to calculate accurate metrics to measure bias. For example, some studies identified what appear to be mis-valuations but lacked the data to investigate the fundamental drivers of the mis-valuations.

Additionally, research into certain geographies (such as rural areas) has been stymied by a lack of rich, available data applicable to those areas. It is likely there are additional data elements that can be collected and disseminated, which will help researchers identify potential racial and ethnic bias, as well as help regulators and other agencies better monitor compliance with fair lending laws.

Actions:

- FHFA will ensure the redesigned UAD and URAR capture more objective data points and lessen reliance on free-form commentary, to reduce opportunities for subjective commentary by appraisers.
- FHFA will direct the Enterprises to update the URAR to increase the prominence of the nondiscrimination certification.
- FHFA will direct the Enterprises to update the URAR Form to strengthen the language of the form’s Appraiser’s Certification line item #17, in which the appraiser certifies that his or her opinion was not based on discrimination.
- The Task Force will examine additional elements in the URAR that may have a connection to discrimination in appraisals and will make recommendations to FHFA for potential modification:
 - Designation of Declining Market Areas: An appraiser’s designation of a market’s property valuation trends as “declining” on the URAR can potentially result in disparities in appraisals and valuations. The Task Force will evaluate how appraisers designate markets as declining, in both urban and rural settings, to ensure that the designation is used in unbiased and nondiscriminatory ways.
 - Designation of Uniform Neighborhood Boundaries: Currently, appraisers have a lot of discretion in determining neighborhood boundaries, which can impact the comparable sales that an appraiser uses. The Task Force will further explore whether designating uniform neighborhood boundaries could minimize discretion and ambiguity in the appraisal process and potentially reduce opportunities for bias without impeding an appraiser’s ability to accurately capture all the factors that inform the opinion of value. The Task Force recognizes that neighborhood boundaries are not necessarily equally clear in rural versus urban and suburban areas, and therefore any resulting guidelines will have to avoid being overly deterministic.
- If there are research questions that are not fully answerable with the data currently available and some gaps can be filled through changes to the data collected on each appraisal, Task Force agencies will provide a list of data elements for FHFA to consider incorporating into its URAR and UAD redesign efforts to address discrimination.

Action 1.5

Address potential bias in the use of technology-based valuation tools through rulemaking related to Automated Valuation Models (AVMs).

The Task Force’s purview focused on appraisals, but its evaluation of government responses has included consideration of appraisal alternatives such as AVMs. The Dodd-Frank Act required regulators of mortgage financing to promulgate a rule that establishes quality control standards for AVMs. Dodd-Frank defined AVMs as “any computerized model used by mortgage originators and secondary market issuers to determine the collateral worth of a mortgage secured by a

consumer’s principal dwelling.”⁶⁹ These models typically build on the sales comparison approach used in appraisals, but the selection, adjustment, and weighting are often based on statistical correlations among previous transactions, producing an estimate for a property in average condition, often without observing the condition of the property being appraised.

While AVMs have the potential, if properly used, to reduce human bias and improve consistency in decision-making, they are not immune from the risk of discrimination. For example, the models may rely upon biased data that could replicate past discrimination or even data that could include protected characteristics, such as race, or very close proxies for them. Moreover, if an algorithm were to generate discriminatory results, the harm could be widespread because of an AVM’s scale.

Actions:

- Agencies participating in AVM rulemaking commit to address potential bias by including a nondiscrimination quality control standard in the proposed rule.

Action 1.6

Develop a legislative proposal that modernizes the governance structure of the appraisal industry to improve transparency and public participation in the establishment of appraisal standards and appraiser qualification criteria, and to advance diversity in the profession.

Title XI of FIRREA established the present-day appraisal regulatory system, including authorization for TAF to establish minimum appraiser qualification criteria and uniform standards for the appraisal practice. TAF is a private organization, and the criteria and standards that TAF establishes have a material impact on the financial services industry, consumers, and regulators. The ASC has monitor and review authority over the practices, procedures, activities, and organizational structure of TAF, but no enforcement authority. Today, TAF establishes these standards and appraiser qualification criteria through a limited-exposure draft process. As compared to the Federal Register notice and comment process, this minimizes broader participation from stakeholders, including residential and commercial lending regulators, and in particular, those overseeing fair housing and fair lending, during the development of industry-wide appraisal standards and appraiser qualification criteria.

Actions:

- In consultation with Congress, Task Force agencies will pursue legislation to modernize the governance structure charged with setting and enforcing the standards and qualifications criteria. The Task Force believes the existing governance structure needs to be fundamentally reassessed to meaningfully advance equity in the industry. This may include, at minimum: introducing new mechanisms for review that would screen for equity impacts in proposed residential appraisal standards and appraiser qualification criteria; and proposing process changes pursuant to Administrative Procedure Act (APA) rulemaking procedures, allowing more diverse groups beyond the appraisal industry to comment and influence the final form of the criteria.



2. Enhancing fair housing / fair lending enforcement and driving accountability in the industry

The current federal enforcement landscape governing the lending and appraisal industry is complex and fractured, spanning at least six executive and independent agencies. Like real estate brokers, agents, and mortgage lenders, home appraisers must comply with the Fair Housing Act, which prohibits housing and lending discrimination based on race or color, religion, sex, national origin, familial status, or disability. Creditors must also comply with ECOA, which bars discrimination on a prohibited basis in any aspect of a credit transaction.

While the exact number of instances of valuation bias is difficult to assess, recent media accounts, coupled with data and history regarding lending and appraisal practices, reflect a persistent mis-valuation and undervaluation of properties experienced by borrowers and communities of color. Various federal, state, and local agencies process allegations related to appraisal bias, contributing to consumers' uncertainty on where they should seek relief. For consumers, there remains a lack of awareness on where to seek relief.

The Task Force's review of valuation-related authorities illuminates the need for a cohesive, consistent regulatory framework that streamlines and strengthens fair housing and fair lending enforcement. This will increase accountability across the industry to address valuation-related bias. In some cases, statutory changes may be required. For example, the Task Force recommends legislation to amend Title XI of FIRREA to expand the list of agencies with enforcement authority over appraisal requirements. Title XI of FIRREA grants enforcement authority to specified financial institutions' regulatory agencies to ensure that appraisals are performed to certain standards, but some agencies (such as FHFA) that were created after enactment of FIRREA are not included. This legislative change to include in FIRREA all agencies with appraisal oversight responsibility will improve agencies' ability to protect against racial and ethnic bias in appraisals performed for loans underwritten by those agencies' regulated entities.

Action 2.1

Strengthen coordination among supervisory and enforcement agencies to identify discrimination in appraisals and other valuation processes.

Without a clear set of practices, policy standards, or procedures to guide the identification and addressing of appraisal bias, there is potential for inconsistent practices across federal enforcement and supervisory agencies. These inconsistencies could impede elimination of racial and ethnic bias by, for example, creating uncertainty and confusion within the lending and appraisal industries about expectations around discrimination complaint referrals.

In addition, without clarity into what patterns may indicate the presence of racial or ethnic bias, agencies with visibility into data may not always know what to look for in referring potentially actionable cases to the appropriate enforcement agency. As a result, actionable instances of bias may be escaping appropriate investigation.

Actions:

- Task Force agencies will collaborate to align investigative protocols with respect to allegations of racial and ethnic bias in the valuation process. This includes identifying gaps in current methods, practices, data, and standards used by enforcement agencies when investigating complaints of alleged racial and ethnic bias in valuation processes.
- Task Force agencies responsible for enforcement of anti-discrimination laws in mortgage transactions will collaborate to: a) develop approaches to data analysis that identify discrimination, and b) identify case studies illustrating facts that agencies have found to support taking action on valuation discrimination.

Action 2.2

Revise existing agreements between agencies involved in the enforcement of and compliance with fair lending and fair housing laws, as necessary, to increase collaboration among the agencies regarding appraisal discrimination.

Today, each enforcement agency has access to only a partial picture of appraisal data, active enforcement actions, and complaint information across the U.S. housing market. To coordinate approaches in combatting discrimination in appraisals, agencies must be able to effectively and efficiently share information to gain insights into possible discrimination in valuations.

Actions:

- The federal banking supervisory agencies, CFPB, DOJ, HUD, VA, NCUA, and FHFA, will determine whether modifications to existing MOUs or development of new MOUs are needed to improve information sharing to address appraisal discrimination.

Action 2.3

Expand regulatory agency examination procedures of mortgage lenders to include identification of patterns of appraisal bias.

Regulatory agency examiners conduct reviews of real estate-related credit transactions, which may include a review of appraisals, to determine compliance with USPAP standards, federal non-discrimination law, and reasonableness of opinion of value. During the reviews, examiners typically review a sample of transactions; however, the examination procedures may not be tailored to best identify patterns of appraisal bias.

Actions:

- NCUA, OCC, FDIC, FRB, and CFPB will, as needed, devise and implement changes to how examinations of mortgage lenders under their purview are conducted, develop examination aides and appropriate examination manual changes, and train staff on enhanced examination and data collection procedures. For example, examinations can: look for evidence that a mortgage lender's compliance management programs are considering appraisal bias as a risk, collect

additional information on appraisal attributes, and tailor exam aides to evaluate irregularities in appraisals documented in a loan file.

- NCUA, OCC, FDIC, FRB, and CFPB will conduct annual data analysis and reviews of their examinations, as needed, to improve their examinations’ effectiveness in identifying patterns of bias in valuations.



3. Building a well-trained, accessible, and diverse appraiser workforce

The cost and burden of becoming an appraiser is extremely high, contributing to appraiser shortages and making it more difficult for underrepresented groups—including people of color and women—to access the profession. According to the Department of Labor’s (DOL) Bureau of Labor Statistics (BLS), the appraiser/assessor profession is 97.7 percent white, and women comprise only 30.4 percent of the workforce, making appraisers perhaps one of the least diverse professions in the country.⁷⁰

The AQB establishes the real property appraiser qualification criteria, including education, experience, and examination requirements. A summary of these requirements can be found in *Table 1*.

Table 1: AQB-Established Appraiser Qualification Requirements

Appraiser Classification	College Degree Requirement	Education Hours	Experience Requirement	Exam
Licensed Residential Appraiser	None	150 hours	1,000 hours in no fewer than six months	Licensed Residential Real Property Appraiser Exam
Certified Residential Appraiser	<ul style="list-style-type: none"> • Bachelor’s degree, OR • Associate’s degree in a focused field of study, OR • 30 college semester credit hours in specified topics, OR • 30 semester credit hours of CLEP exams in specified topics 	200 hours	1,500 hours in no fewer than 12 months	Certified Residential Real Property Appraiser Exam
Certified General Appraiser	<ul style="list-style-type: none"> • Bachelor’s degree 	300 hours	3,000 hours in no fewer than 18 months; 1,500 hours must be in non-residential work	Certified Real Property Appraiser General Exam

Based on these criteria, it can take an individual several years to become a Certified General Appraiser, a longer timeline than is required in many other professional fields. Those seeking to become an appraiser must train under a Supervisor Appraiser who is responsible for overseeing their training, education, and experience. This presents a major barrier to entry for aspiring appraisers, especially for people of color and others without a previous connection to the profession. Finding a supervisor can be difficult, as there is no formal process to help aspiring appraisers find a willing supervisor, and there is little incentive for

established appraisers to take on an unpaid role. TAF’s Practical Applications of Real Estate Appraisal (PAREA) could provide an alternative to the traditional supervisor-trainee model.

Appraisers are typically classified as independent contractors, which often requires them to self-fund training and professional development opportunities. New trainees are often dependent upon friends and family-based networks to support their training requirements and professional development. This approach contributes to inequitable outcomes in highly race- and sex-segregated occupations. Employment-based models, which offer more paid training and professional development, have more tools to diversify professions.

The Task Force will work to lower barriers to entry in the appraiser workforce, to include proposing changes to the AQB criteria and engagement with state appraisal regulatory agencies to identify leading practices that could be scaled nationally to advance equity in the appraiser workforce. In some cases, statutory changes may be required. For example, the Task Force recommends that Congress consider legislation to allow licensed appraisers (which have less rigorous college degree, education, and experience requirements than Certified Residential or Certified General Appraisers) to be placed on the FHA Appraiser Roster. Appraisers must appear on the FHA Appraiser Roster to conduct appraisals for FHA-insured mortgages, but the criteria for entry onto the roster are stricter than those of most other industry participants. According to HUD data, since 2008, when legislation was enacted to limit participation on the roster to Certified Residential or Certified General Appraisers, the percentage of Black appraisers on the roster has declined by nearly 23 percent over the same time frame that the overall roster declined by only 7 percent, contributing to the lack of diversity in the profession.

Action 3.1

Update appraiser qualification criteria related to appraiser education, experience, and examination requirements to lower barriers to entry in the appraiser profession.

The lack of diversity within the appraiser workforce can contribute to patterns of mis-valuation in communities of color. Efforts to diversify the industry face numerous barriers. The credentialing requirements to become an appraiser are extensive, including a four-year college degree for certain certifications, additional educational requirements, and up to 3,000 hours of sometimes unpaid experience to be completed as a trainee under the guidance of a supervisor.

The experience requirements have proven to be especially problematic. Given that supervisors are not compensated for such work but sometimes must be on site while trainees work and are potentially training future competition, established appraisers have little incentive to take on trainees outside of their friends and family-based networks. This has resulted in limited opportunities for new entrants to the occupation to complete the mandatory training requirements. Even when a trainee can find a supervisor, the ability to complete the requirement is limited to those who can afford to do so. These requirements present significant barriers to entry for underrepresented and disadvantaged groups, including people of color.

Actions:

- Task Force agencies will send a joint letter to TAF’s AQB and release a joint statement, requesting consideration of the following changes to appraiser qualification criteria:

- *Reduce or eliminate AQB experience requirements.* Lowering the minimum requirements set by the AQB could remove unnecessary barriers to entry that add considerable time and expense to the process of becoming an appraiser, particularly for women and people of color.
- *Provide additional justification for the college degree requirement for the Certified Residential Appraiser and Certified General Appraiser classifications or eliminate it entirely.* There is little existing support that a college degree makes appraisers more ethical, accurate, or credible. Alternatively, if evidence is developed supporting a college degree requirement, automatically qualifying relevant real estate programs from accredited Institutions of Higher Education as fulfilling the credentialing requirements to sit for an exam will expand access and pathways to the profession. Currently, no degree programs fully satisfy the AQB’s education requirements for certification—even post-secondary degrees.
- *Develop a comprehensive exam as an alternative path to credentialing.* Once passed, it would earn the individual a credential, which states would have the opportunity, at their discretion, to accept in lieu of some or all additional requirements. This model has had success in other professions (e.g., accountants).

Action 3.2

Increase engagement with states’ appraisal regulatory agencies to help remove barriers to entry and advance diversity in the appraiser workforce.

AQB criteria operate as a “floor,” above which states may introduce additional requirements. In addition to the extensive education, experience, and examination requirements put forward by the AQB, several states have in place additional requirements that must be completed in order to become an appraiser.

Title XI of FIRREA requires the ASC to make grants to the states in accordance with policies developed by the ASC in support of state enforcement activities, in addition to other areas. The ASC provides grant funds for the development and support of state appraiser regulatory programs.

Several states are using innovative models to reduce barriers and advance equity in their workforces. South Dakota State University (SDSU) has developed a program that allows aspiring appraisers to satisfy all education and experience requirements while completing a bachelor’s degree. Mississippi is launching a nine-month program that allows participants to complete the education and experience requirements to become a licensed residential appraiser, with a plan to provide stipends to participants in the condensed program. Georgia allows for appraisers hired by the Department of the Interior (DOI) to fulfill experience requirements while employed with DOI, providing guaranteed access to a supervisor and stable income for trainees. These programs are recruiting participants from underserved areas of their states, including communities of color, to address significant workforce shortages.

Actions:

- The PAVE Task Force website will publish or link to requirements for all state-level appraiser certifications, including those from states with requirements above those put forward by the AQB – thereby increasing transparency and driving state action, as appropriate.
- ASC staff will engage with each State Appraiser Regulatory Program in an annual session focused on advancing equity in each respective Program. Topics may include: reviewing state appraiser qualifications to identify and eliminate burdensome requirements; creating employment opportunities within State Boards and personnel for people of color, women, veterans, persons with disabilities, and other underrepresented populations; and developing innovative alternatives to the supervisor-trainee appraiser model.
- The ASC will make available \$3.3 million in grants to states annually in Fiscal Years 2022 and 2023 to support innovative approaches at the state level to advance more equitable state appraiser certification and licensing systems. This may include: alternatives to the supervisor-trainee model, improving the supervisor-trainee process by introducing incentives or alternate ways for appraisers to become supervisors, new training that improves the effectiveness of supervisors, and education modules that shorten the timeline for becoming a licensed or certified appraiser.
- The ASC will conduct a technical assistance initiative to help states understand the flexibilities they possess and work with them to establish alternative pathways.
 - This could include reminding states that there is flexibility with AQB experience requirements and that states have the authority to recognize college degrees and workforce training programs as fully satisfying the educational requirements in their state.
 - ASC staff will engage, and will encourage state agencies to engage, Tribes, Tribal Colleges, veterans groups, Historically Black Colleges and Universities (HBCUs), Minority-Serving Institutions (MSIs), and community colleges on developing the next generation of appraisers.
- The Task Force will seek to expand the use of paid trainee models, such as the DOI example mentioned above, to help remove barriers to entry and advance equity in the appraiser workforce.
- As another example of a paid trainee model, DOL and the ASC will seek to develop Registered Apprenticeship programs as an alternative pathway to an appraiser credential. They will also seek to establish a Registered Apprenticeship for federally-employed appraisers, like those employed by DOI, to allow agencies to provide paid on-the-job training while the apprentices attend courses.

Action 3.3

Require appraisal anti-bias, fair housing, and fair lending training for all appraisers who conduct appraisals for federal programs and work with the appraisal industry to require such trainings for all appraisers.

The AQB's *Real Property Appraiser Qualification Criteria* currently provides, but does not require, fair housing and appraisal bias education for new applicants. Similarly, the existing required training for appraisers on the FHA Appraiser Roster and VA Appraiser Panel does not include components covering diversity, equity, inclusion, or the application of the Fair Housing Act to the appraisal industry. As a result, the existence and quality of these educational offerings vary significantly across states.

Actions:

- HUD, USDA, and VA will propose rules to develop and require appraisal bias, fair housing, and fair lending training for the current appraiser workforce supporting their agencies' programs and appraisers applying to support their agencies' programs.
- The Task Force recommends that TAF update AQB criteria to include appraisal bias and fair housing training in the *Real Property Appraiser Qualification Criteria* as a requirement for all aspiring and licensed/certified appraisers, as well as during the recertification process.



4. Empowering consumers to take action

A critical component in addressing the impact of potential bias during the appraisal process is educating consumers and communities on their rights. However, consumers are typically unfamiliar with the appraisal process and are unaware of their rights in the process of buying, selling, or refinancing their homes. Empowering consumers with this knowledge, as well as providing them with centralized resources for reporting suspected violations, can help ensure that consumers can defend their rights during the appraisal process. The Task Force has identified new and existing resources that can be leveraged to both increase consumer education on this topic and better centralize available resources for consumers and communities.

Action 4.1

Update and clarify government resources for consumers who believe they may have experienced appraisal bias.

Pursuant to Dodd-Frank, the ASC operates a hotline to refer complaints about non-compliance with USPAP or appraiser independence standards from homebuyers, lenders, appraisers, and others to the appropriate regulator. In instances of alleged appraisal bias, the hotline merely provides general information on where one may seek relief at the federal and state level; however, it currently does not provide referrals to applicable enforcement agencies, based on the nature of the complaint.

In addition, government websites that are in place to provide resources to consumers are not properly educating consumers on appraisal bias. For example, HelpWithMyBank.gov is an official OCC website that provides information and assistance for customers of national banks and federal savings associations. The website allows consumers to file, check the status of, and appeal the final disposition of banking-related complaints, including appraisal complaints. The current website contains limited explanatory information regarding appraisals and does not address possible discrimination in appraisals.

Actions:

- The ASC will develop a strategy to expand the hotline to provide a referral for potential victims of appraisal discrimination, to include HUD’s Office of Fair Housing and Equal Opportunity (FHEO) and CFPB for individual complainants; the Civil Rights Division of DOJ and HUD-FHEO for pattern or practice complaints; and appropriate state agencies for individual, pattern or practice complaints. The ASC will share hotline data with these agencies, as appropriate, and will update the hotline website to include information pertaining to fair housing and lending laws and how they pertain to appraisals and appraisers.
- CFPB will encourage lenders to provide borrowers with information on the available means to reconsider valuations (e.g., appraisals, AVMs) that borrowers believe to be inaccurate. For example, such information might potentially be included together with copies of valuations provided to borrowers as required by the ECOA valuation rule.
- OCC and FDIC will update frequently asked questions on their websites (e.g., OCC’s Help-withmybank.gov) to address additional appraisal-related issues so that consumers can learn more about appraisals, recourse options, and available resources.

Action 4.2

Incorporate appraisal bias information into first-time homebuyer education courses.

Many homebuyer programs designed to assist low-and moderate-income purchasers and homebuyers of color require first-time homebuyer education courses. These courses provide an opportunity to educate underserved communities about issues of appraisal bias and the rights of potential victims of appraisal bias. Today, homebuyer courses can be improved to: educate consumers more explicitly on appraisals, help them identify mis-valuations, and provide resources to file a fair housing complaint or dispute an appraisal.

Actions:

- The Task Force recommends that the National Industry Standards for Homeownership Education and Counseling update its Pre-Purchase Education Standard Homeownership Education Content to include information pertaining to appraisal bias and consumers’ rights to dispute a potentially biased appraisal.
- HUD’s Office of Housing Counseling (OHC), in conjunction with HUD-FHEO, will draft an appraisal bias training module for first-time homebuyer education providers to use during the course of first-time homebuyer education classes.

- HUD-FHEO will create educational materials explaining appraisal bias and advising consumers of their rights to dispute biased appraisals through the ROV process and file administrative complaints, to be distributed to attendees of first-time homebuyer education courses; this information will also be posted on HUD’s website.

Action 4.3

Train housing counselors to empower them to assist potential victims of appraisal bias as part of pre- and post-purchase homeownership counseling.

Homeownership counseling is offered to consumers by HUD-Approved housing counseling agencies to help consumers make informed decisions throughout the homeownership or life of loan process, including purchase, mortgage application, servicing, refinance, and sales. HUD-Certified Housing Counselors receive ongoing training and continuing education to ensure best-in-class services to assist clients facing a variety of home buying- and homeownership-related issues. HUD-OHC, HUD-FHEO, and their grantees have an opportunity to provide training to counselors to effectively provide counseling services to clients who are experiencing problems with appraisals/valuation, including appraisal bias and discrimination.

Actions:

- HUD-OHC and HUD-FHEO will create a training rubric for OHC and its grantees to train counselors on appraisal-related issues, including appraisal bias, ROVs, and how to identify comparable sales. Additionally, HUD-OHC will incorporate questions pertaining to appraisal discrimination and its remedies into its pool of questions for the Housing Counseling Certification Examination.
- HUD-OHC, in conjunction with its Housing Counseling Training grantees and the sponsors of the National Industry Standards for Homeownership Education and Counseling, will establish best practices and update the guidelines for quality homeownership and counseling services to incorporate emerging best practices and guidance related to appraisal equity.

Action 4.4

Provide funding opportunities for testing, education, and outreach pertaining to appraisal bias and discrimination.

HUD funds 120 local fair housing nonprofits throughout the country through FHEO’s Fair Housing Initiatives Program (FHIP). Of the \$47.4 million awarded in 2021, \$10.7 million was awarded for Education and Outreach Initiative (EOI) grants to organizations that educate consumers and housing providers about the Fair Housing Act. Recipients have primarily utilized these grant funds to expand community-based fair housing educational campaigns, as outlined in the FHIP Notice of Funding Availability.

Actions:

- HUD-FHEO will update the HUD FHIP Notice of Funding Opportunity Application and Award Policies and Procedures Guide and issue other guidance to clarify that FHIP EOI grants may be used to increase knowledge and awareness of appraisal bias and discrimination, and that Private Enforcement Initiative (PEI) grants can be used to conduct testing related to appraisal bias and discrimination. It will also engage with existing FHIP grantees to encourage outreach to targeted communities, lenders, and industry partners around remedies for appraisal bias.

Action 4.5

Execute a coordinated public awareness campaign to inform consumers of their rights, as well as to disseminate the new resources that will be available to them.

In support of the Action Plan, the Task Force has developed an external communications strategy, designed to increase public awareness of appraisal bias and improve resources available to act against inequity in the appraisal process. This strategy, informed by stakeholders and executed by Task Force agencies, will educate consumers on the causes, consequences, and extent of appraisal inequity; inform consumers of pending policy and programmatic changes, as identified in the Action Plan, to help address appraisal inequity; and direct consumers to industry, philanthropic, or regulatory resources where they can learn more on this issue and report any instances of suspected appraisal bias.

Actions:

- HUD, in partnership with the other Task Force agencies, will continue to develop PAVE.hud.gov to serve as a central source of information for general audiences and interested stakeholders who want to learn more about appraisal and valuation equity, including their rights under the Fair Housing Act.
- The Task Force agencies will produce easy-to-understand, accessible informational materials, in multiple languages as needed, for consumers who want to understand their rights and how to navigate relevant changes to the appraisal industry.

Action 4.6

Inform FHA borrowers about the process to request a reconsideration of a valuation when the initial valuation is lower than expected.

Generally, FHA has ROV guidance but the processes for borrower disputes are lender-specific, and to maintain appraiser independence, borrowers do not have an ability to engage with an appraiser to request an ROV. Rather, they must ask the lender to make the ROV request, and there are no industry-wide notices provided to borrowers informing them of their ability to request an ROV. Consumers who are purchasing or refinancing a home are often unaware of their options when they receive a valuation that is lower than expected. As a result, consumers who believe racial or ethnic bias may have influenced their appraisal may miss an opportunity to challenge the appraisal and provide data that can support a more beneficial valuation.

Actions:

- HUD will update FHA policy to notify borrowers, before loan closing, of their ability to speak with their lender to request an ROV. FHA has a specific opportunity to provide borrowers more information about the ROV process in a way that may help borrowers of color who believe their appraisal may have been influenced by racial or ethnic bias. Policy within the FHA's single-family mortgage insurance program has an outsized impact on borrowers of color. In Fiscal Year 2021, people of color comprised more than 40 percent of all FHA-insured mortgages. More specifically, FHA served double the percentage of Black and Latino borrowers when compared to those served through other mortgage originations.⁷¹

**5. Giving researchers and enforcement agencies better data to study and monitor valuation bias**

High-quality data is essential to high-quality identification and analysis of possible appraisal bias. Some government agencies have data sources that can support analysis of possible appraisal bias; yet, the Task Force has identified instances where potentially-useful datasets exist that have not been shared between agencies for research, enforcement, and compliance. For example, the ASC houses the National Registry of Appraisers and AMCs and related appraiser license information, but other agencies cannot use that data to trace individual appraisers across state lines. CFPB maintains Home Mortgage Disclosure Act (HMDA) data for mortgage loan originations, which could be better leveraged by all interested agencies. CFPB also makes its consumer complaint database, which can include consumer complaints about appraisals, available to the other Task Force agencies. FHA, VA, and USDA possess detailed appraisal data on the loans they insure, with differing degrees of accessibility. FHFA regulates the Enterprises, each of which possess detailed historical appraisal data in the form of UAD for the loans that have been underwritten with the help of their tools. Yet, for the most part, appraisal-related data is not shared amongst the agencies that possess it.

This lack of access to complete data has been a hindrance to research on appraisal disparities and on the impact of racial and ethnic bias in appraisals, both amongst federal researchers and investigators, and in

the private sector and academia. It has also prevented federal agencies from establishing metrics that can be used to identify appraisal bias where it occurs.

Action 5.1

Develop data-sharing arrangements among all relevant government agencies and pursue joint strategies to make appraisal-related data more widely available, foster federal research, and better enable enforcement related to appraisal bias.

Agencies (e.g., FHFA, HUD/FHA, VA, and USDA) own and/or have access to historical appraisal data specific to their programs, but each lacks visibility into the breadth of appraisal data from other agencies' programs. Some sharing of this data amongst government agencies already occurs; for example, CFPB has offered other agencies access to its consumer complaint database that receives appraisal-related complaints. However, a more permanent and comprehensive framework for sharing data between all agencies would improve the Federal Government's ability to analyze the vast quantity of federally-managed appraisal- and valuation-related data for racial and ethnic bias.

Because appraisers evaluate properties under multiple programs, and properties over time can collateralize loans from multiple programs, an agency can gain greater insight from historical appraisal data that has been aggregated across programs than it can from examining the data from only its own program. Appraisers and AMCs often serve both FHA's Appraiser Roster and VA's Appraiser Panel. Today, these agencies—along with USDA, which utilizes FHA's Appraiser Roster—have no mechanism to share data on appraiser performance, including metrics on requests for ROVs, or the percentage of appraisals that deviate from or match the contracted sale price. Agencies should gain access to this data to track appraiser performance over time, hold appraisers accountable, and understand if issues of bias or misconduct may be taking place across all federal home loans.

Traditional interagency federal data sharing requires each investigating agency to acquire disparate data from several agencies in several disparate formats; then clean, parse and load that data; merge or join the disparate forms of the data; and logically model the data into a structure appropriate for the research at hand. While such an approach has the advantage of providing multiple perspectives on a given issue, potentially involving different populations and/or different points in time, it may lead to unnecessary duplication of effort.

Centralizing these functions and creating a populated shared federal database readily accessible to federal agencies could accelerate the analysis needed to fully study, understand, and address appraisal bias. A centralized historical appraisal database has the potential to foster more informed development of policies and practices to mitigate bias in the homebuying process, and serve as a foundation for potential enforcement actions, the potential development of new evaluation metrics, and analysis of different—and potentially more equitable—valuation strategies.

Actions:

- Agencies that possess specific data relevant to research and enforcement related to appraisal bias will take action, consistent with law, to make their data available to other federal agencies with interest in the topic, including the following specific agency actions:
 - The ASC will develop a strategy to collect and share its data with other agencies in furtherance of the goals of the Task Force.
 - FHFA has begun sharing historical appraisal data with federal agencies to further appraisal bias research and enforcement.
 - To the extent permitted by law, HUD, VA, and USDA will share a meaningful subset of their respective historical appraisal databases of UAD data, which they have collected into the FHA, VA Loan Guaranty, and Rural Development programs, respectively, subject to applicable privacy, security, and other statutory or regulatory considerations, with other federal agencies (e.g., FHFA, DOJ, OCC, CFPB, FRB, and FDIC).
 - VA, HUD, and USDA will agree upon a common dataset that can be used to track appraiser performance. Agencies will use this data to track appraiser performance over time, hold appraisers accountable, and understand if issues of bias may be taking place across federal home loans. Agencies will also make select performance data available to appraisers, so that they can improve their performance and approach to appraising properties without bias.
- Task Force agencies will pursue development of a shared federal database of historical appraisal data to foster federal research and enforcement related to appraisal bias:
 - Agencies possessing candidate data for inclusion in a shared federal database (ASC, CFPB, FHFA, HUD, VA, and USDA representatives) will examine the legal and operational feasibility of sharing the data into such a database. This examination will include evaluating the operational considerations of such a database (e.g., budget, legal, security, governance requirements, etc.) critical to standing up a working and accessible database.
 - Regulatory agencies (OCC, FDIC, FRB, NCUA, and CFPB), that possess extensive experience safeguarding financially sensitive federal data, will share with the PAVE Task Force best practices and lessons learned for handling data of this nature, to help inform the Task Force's recommended operational solution.

Action 5.2

Launch a standing interagency effort to identify and fill gaps in the current state of research and help inform future policy and enforcement priorities.

The extent and impact of racial and ethnic bias in appraisals is not fully known. For example, the prevalence of undervaluation in Black and Latino neighborhoods has been easier to study on purchase transactions than it has on refinances, because purchase transactions feature a listing, contract, or purchase price that can be used to compare the appraisal. As another example, for both purchases and refinances, it is easier to detect patterns that may indicate racial and ethnic bias in areas where the high volume of sales provides ample recently-sold comparable properties; in rural areas, fewer comparable properties exist, thereby making it more difficult to detect undervaluation. Related, valuation of manufactured housing, and possible racial or ethnic disparities therein, has not been studied as much as that of traditional homes. New research of understudied appraisal circumstances, such as for refinances and for all appraisals in rural areas, is needed to assess how policy can address possible racial and ethnic bias. For valuations on a broader level, the prevalence of possible racial and ethnic bias in AVMs has not been studied as closely as that in appraisals. More research is needed to determine if AVMs might perpetuate past mis-valuation patterns.

Actions:

- The Task Force will launch the PAVE Research Working Group, a standing interagency effort to identify and fill gaps in the current state of research and help inform future policy, enforcement, and compliance priorities. The Working Group, comprised of OCC, HUD, FRB, FDIC, CFPB, DOJ, FHFA, ASC, NCUA, VA, and USDA representatives, will engage with stakeholders both within and outside government to develop a research agenda that could supplement work already being undertaken by the agencies, including assessing possible bias in AVMs, considering limitations in the ability to detect bias in rural areas, evaluating possible bias in the valuation of manufactured homes, and assessing how bias affects neighborhood-level valuations versus how bias affects valuations of individual homes.
- The Working Group will compile research questions that are not fully answerable with the data currently available. If some gaps can be filled through changes to the data collected on each appraisal, these agencies will provide a list of data elements for FHFA to consider incorporating into its URAR and UAD redesign efforts to address discrimination.

Action 5.3

Define metrics that can help to identify and measure patterns of mis-valuation in the property valuation process.

In the current literature on appraisal bias, some studies examine the share of purchase loans in which an appraisal comes in lower than a property's contract price, while others look at the magnitude of possible undervaluation relative to certain AVMs. Studies differ in how to categorize neighborhoods by racial composition, and there is not consensus on the definition of neighborhood boundaries, nor on the appropriate level of granularity at which to look for possible bias patterns. Additionally, refinances have not been studied as extensively as purchases: mis-valuations in refinance transactions are more difficult to study because there is not a listing, contract, or purchase price against which to compare the appraisal.

The Task Force recognizes the need to define a set of metrics which can be consistently used to:

- a) Identify individual properties—before valuations take place—that have a high risk of being impacted by bias (regardless of the method of valuation);
- b) Identify individual valuations, after a valuation has taken place (regardless of the method of valuation), that have a high risk of having been skewed by racial and ethnic bias;
- c) Identify appraisers who exhibit patterns of valuation that appear to be impacted by racial and ethnic bias;
- d) Identify neighborhoods that appear to be consistently undervalued in the valuation process associated with lending (including rural areas that can be more difficult to value); and
- e) Identify broader patterns of possible mis-valuation that would be of interest to lenders, federal agencies, and others.

The Task Force recognizes that different stakeholders will need different metrics for specific purposes, yet there also is value in federal agencies sharing a mutual understanding of the strengths and weaknesses of a range of useful metrics. The Task Force's interaction with industry has revealed a widespread willingness to solve the problem, but without a more comprehensive understanding of the strengths and weakness of the existing metrics, measuring progress may be challenging. To that end, the Task Force will conduct additional analysis and research to inform the robustness of the existing metrics, as well as the development or enhancement of new and existing metrics.

Actions:

- The member agencies of the PAVE Research Working Group will pursue defining new metrics that can be used to identify and measure patterns of mis-valuation.



Assessing additional policy and research efforts to ensure more equitable valuation

In performing its work, the Task Force recognized several initiatives and areas of research and analysis that could not be completed in the Task Force’s initial 180-day timeline, but that have the potential to make a significant difference in ensuring fair and accurate home valuations for all communities.

The Task Force recognizes that these areas require in-depth evaluation and/or research, greater input from stakeholders, and further exploration of implications before any policy recommendations can be put forth. However, the Task Force is committed to continuing its study of these potentially impactful areas. The Task Force has also identified shortcomings in the current body of literature around valuation bias and plans to continue to establish an agenda for a coherent cross-agency research strategy to close the information gaps. Such gaps limit full understanding of the prevalence of racial and ethnic bias in property valuations and the appropriate metrics to monitor and mitigate it.

In the coming months, the Task Force agencies will initiate assessments of:

1. Expanded use of alternatives to traditional appraisals as a means of reducing the prevalence and impact of appraisal bias.

The Task Force agencies will research the soundness, prudence, and feasibility of expanded use of alternatives to traditional appraisals, and will identify and propose, as appropriate, additional regulatory and policy changes needed to ensure that expanded use of alternatives to traditional appraisals results in a reduction in the frequency and impact of racial and ethnic bias in valuations. Some lenders already use alternatives such as hybrid appraisals, desktop appraisals, AVMs, and other alternative methods of valuation.

Studies differ on whether AVMs reduce the influence of racial and ethnic bias; some researchers have observed that AVMs are less accurate in Black neighborhoods.⁷² Similarly, desktop appraisals avoid an appraiser’s visit to the home and would appear to eliminate that possible driver of bias, but data remains inconclusive as to whether desktop appraisals value Black and Latino properties differently than traditional appraisals. Related, appraisal waiver options have been in place for several years in certain programs. Appraisal waivers protect against immediate appraisal bias, but the estimated valuations that influence eligibility for some of the waiver programs may still reflect past bias. The Task Force agencies will further study whether increased usage of these alternatives could have the result of reducing the prevalence of bias.^e

2. Range-of-value estimates instead of point estimates as a means of reducing the impact of racial or ethnic bias in appraisals.

Some researchers have suggested that, rather than approaching valuation to land on a specific point value estimate, valuations may be better served by aiming for an estimated range of values. Research studying patterns of low valuations on purchase appraisals in Black and Latino communities⁷³ has addressed the frequency of low valuations, but not the magnitude; many instances of low valuation may result in value estimates that still fall within a reasonable range of values approximately centered on the contract price. If appraisal customers could accept such a range of values as a valuation opinion, rather than requiring a point value, some researchers have speculated that it might have the effect of muting the *impact* of the racial and ethnic bias in residential appraisals, particularly in undervaluations. Buyers would be less likely to be asked to provide more cash, and purchase deals would be less likely to be scuttled.

^e The Task Force recognizes that the use of alternative valuation methods may be practically limited by statute and by existing rules governing which federally-related real estate transactions require evaluations vs. appraisals.

The Task Force agencies will further study the utility of implementing a range of value estimate approach, including potential benefits and drawbacks. In evaluating this approach, the Task Force agencies should consider what underwriting rules or program eligibility decisions currently rely on a precise loan-to-value ratio; such rules and decisions might need to be adjusted under a range of value approach. The Task Force agencies should also consider the process appraisers would use for determining range of values and metrics to evaluate whether such an approach makes a difference, as well as any potential disproportionate positive or negative impacts.

3. The potential use of alternatives and modifications to the sales comparison approach that may yield more accurate and equitable home valuation.

Most appraisals rely on the sales comparison approach, where the appraiser draws price data from the sale of comparable properties in comparable markets. Its use is required or encouraged by HUD, VA, USDA, and the Enterprises. The sales comparison approach requires appraisers to exercise significant discretion in their valuations. The reliance on sales comparisons within the appraisal process—and the discretion associated with it—may contribute to the undervaluation of properties in certain neighborhoods by effectively carrying forward historic bias into current-day property valuations.

The Task Force proposes reviewing the efficacy of the sales comparison approach to valuation, examining whether alternative approaches to appraisal valuation could reduce racial disparities, and examining whether guardrails can be placed on the execution of the sales comparison approach to protect against the perpetuation of past mis-valuation.

4. Public sharing of a subset of historical appraisal data to foster development of unbiased valuation methods.

The Enterprises and government mortgage loan insurance and guaranty agencies all possess a large array of historical appraisal data in the form of collections of UAD, which each agency uses to evaluate the credit risk of the loans they purchase, guarantee, or insure. This data, when appropriately modified to protect homeowner privacy, has the potential to inform better-understood valuations and mitigate racial and ethnic bias in valuations. The Task Force acknowledges that if this data were to be publicly available lacking appropriate privacy protections, its availability could risk aggravating discriminatory practices.

Stakeholders have repeatedly mentioned the public value of these sets of appraisal data. Just as federal researchers can benefit from sharing appraisal data with each other, such data can also be of use to non-federal researchers examining valuation bias (e.g., to identify potential discriminatory actors). Appraisers themselves might be well-served by having a view of a subject property's past appraisals or of historical appraisal patterns in a specific neighborhood or market. Rich appraisal data could also be useful for other publicly beneficial purposes, such as supporting local tax assessment—better public data may help assessors more accurately reflect property and neighborhood amenities⁷⁴ and therefore address racial and ethnic bias in property tax assessment, as well. Additionally, such data could help ensure more accurate, unbiased AVMs, especially in geographies that have proven harder to value, such as rural areas.

The Task Force agencies will closely examine the considerations that need to be addressed to work toward public sharing of a subset of historical appraisal data, including that collected by the Enterprises, and by HUD, VA, and USDA. These considerations include the legal analysis of possible limitations to public disclosure per the Privacy Act of 1974, statutes specific to protecting veterans' data, third-party usage, data privacy, and practical constraints.

What Comes Next?

In addition to the agency commitments outlined in this Action Plan, the Task Force intends to continue its work and engagement to analyze and formalize long-term, transformational policy solutions, and to continue the momentum on several of the actions it has identified to date.

After publication of this Action Plan, the Task Force will formalize a long-term research and policy agenda, derived from the work over the past 180 days, with the goal of embedding equity and fairness in the

policy-making process. Additionally, the Task Force will monitor and measure progress during implementation of the actions identified in the sections above.

Lastly, as the Task Force transitions into the next phase of work to advance equity in the appraisal process, it will continue seeking opportunities to partner with financial institutions, philanthropy groups, academia, civil rights groups, advocates, and industry associations to create a coordinated approach in tackling this issue.

Call to Action

The Federal Government has a critical role to play in overcoming and redressing the history of discrimination. This Action Plan represents one step toward addressing prior discriminatory housing policies systematically implemented and perpetuated across this country.

Get help

Members of the public should contact HUD-FHEO to learn more about their Fair Housing rights during the homebuying or refinancing process, or to file a fair housing complaint. Please visit the PAVE Task Force website ([PAVE.HUD.gov](https://www.pave.hud.gov)) for additional resources, or FHEO's website (https://www.hud.gov/program-offices/fair_housing_equal_opp/online-complaint) to file a fair housing complaint. Consumers can submit complaints about problems during the lending process, including discrimination complaints, to the CFPB, as well (<https://www.consumerfinance.gov/complaint/>).

Get involved

The Task Force is seeking support from stakeholders who can inform, implement, and evaluate long-term, transformational policy solutions that will radically improve the home appraisal industry. Through partnership with members of industry, advocacy, fair housing, and academic organizations, the Federal Government hopes to take additional steps to effectively end racial discrimination across each stage of the appraisal and homebuying process.

Stay informed

The Task Force launched the PAVE website to provide updates on the Actions found in this Action Plan and provide additional resources to consumers and industry partners. Please visit [PAVE.HUD.gov](https://www.pave.hud.gov) to stay informed on how the Federal Government and its industry partners are combatting appraisal bias.

Appendix I: PAVE Task Force Member Agencies and Offices



U.S. Department of Housing and Urban Development



White House Domestic Policy Council



Appraisal Subcommittee



Federal Reserve Board



Consumer Financial Protection Bureau



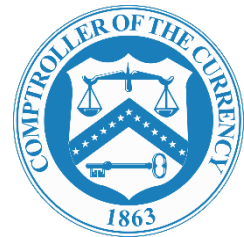
Federal Deposit Insurance Corporation



Federal Housing Finance Agency



National Credit Union Administration



Comptroller of the Currency



U.S. Department of Agriculture



U.S. Department of Justice



U.S. Department of Labor



U.S. Department of Veterans Affairs

Appendix II: Acronyms

Government Agencies/Other Entities:

ASC	Appraisal Subcommittee
CFPB	Consumer Financial Protection Bureau
DOI	Department of the Interior
DOJ	Department of Justice
DOL	Department of Labor
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FHFA	Federal Housing Finance Agency
FRB	Federal Reserve Board
HUD	Department of Housing and Urban Development
NCUA	National Credit Union Administration
OCC	Office of the Comptroller of the Currency
TAF	The Appraisal Foundation
USDA	United States Department of Agriculture
VA	Department of Veterans Affairs

Other Acronyms:

APA	Administrative Procedures Act
AQB	Appraiser Qualifications Board
AMC	Appraisal Management Company
ASB	Appraisal Standards Board
AVM	Automated Valuation Model
BLS	Bureau of Labor Statistics

C.F.R.	Code of Federal Regulations
EAD	Electronic Appraisal Delivery
ECOA	Equal Credit Opportunity Act
EOI	Education and Outreach Initiative
FASB	Financial Accounting Standards Board
FHIP	Fair Housing Initiatives Program
FIRREA	Financial Institutions Reform, Recovery, and Enforcement Act of 1989
HBCU	Historically Black Colleges and University
HERA	Housing and Economic Recovery Act of 2008
HMDA	Home Mortgage Disclosure Act
HOLC	Home Owners Loan Corporation
HVCC	Home Valuation Code of Conduct
LTV	Loan to Value
ML	Mortgagee Letter
MOU	Memorandum of Understanding
OHC	Office of Housing Counseling
PAVE	Property Appraisal and Valuation Equity
REACH	Roundtable for Economic Access and Change
RFI	Request for Input
ROV	Reconsideration of Value
UAD	Uniform Appraisal Dataset
UCDP	Uniform Collateral Data Portal
U.S.C.	United States Code
USPAP	Uniform Standards of Professional Appraisal Practice

Appendix III: Glossary of Terms

Appraisal Bias	Bias based on race, ethnicity, or national origin in the opinion of value rendered by a professional appraiser. (The Task Force recognizes that other forms of bias (e.g., confirmation bias) may impact appraisals, but for the purposes of this document, we are referring to racial and ethnic bias in the appraisal process.)
Automated Valuation Model	A computerized model used by mortgage originators and secondary market issuers to determine the collateral value for a residential dwelling securing a mortgage.
Loan to Value Ratio	In a mortgage, the ratio of the loan amount to the value of the property that secures the loan.
Overvaluation	An appraisal in which the opinion of value is higher than a reasonable estimate of the fair market value of the home.
Racial and Ethnic Bias	Refers to bias based on race, ethnicity, or national origin as described in the President's <i>Memorandum on Redressing Our Nation's and the Federal Government's History of Discriminatory Housing Practices and Policies</i> .
Reconsideration of Value	A request by consumers for an appraiser to reassess the analysis and conclusion of their initial appraisal when provided with additional information that may affect the value conclusion.
Redlining	A form of illegal discrimination in which a lender provides unequal access to credit, or unequal terms of credit, because of the race, color, national origin, or other prohibited characteristic(s) of the residents of the area in which the credit seeker resides or will reside or in which the residential property to be mortgaged is located.
Sales Comparison Approach	An appraisal approach in which the appraiser identifies recent sales of nearby properties with similar characteristics, adjusts the comparable sales price for observable differences in property characteristics, and then aggregates the adjusted comparable property values with a weighting of the appraiser's discretion, to estimate a value for the subject property.
Undervaluation	An appraisal in which the opinion of value is lower than a reasonable estimate of the fair market value of the home.

Uniform Standards of Professional Appraisal Practice

The generally recognized ethical and performance standards for the appraisal profession in the United States. USPAP was adopted by Congress in 1989, and contains standards for all types of appraisal services, including real estate, personal property, business, and mass appraisal. Compliance is required for state-licensed and state-certified appraisers involved in federally-related real estate transactions.

Valuation Bias

Bias based on race, ethnicity, or national origin in the residential valuation process performed as part of mortgage origination, regardless of valuation method. Appraisal bias as defined above is a channel of valuation bias, when valuations stem from appraisals. (The Task Force recognizes that other forms of bias (e.g., confirmation bias) may impact valuations, but for the purposes of this document, we are referring to racial and ethnic bias in the valuation process.)

Valuation Equity

A condition in which a residential property is equally likely to be accurately valued regardless of the race, ethnicity, national origin, or other protected characteristics of its residents or composition of its neighborhood.

Appendix IV: Endnotes

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- ⁶⁵ U.S. Office of the Comptroller of the Currency. (2021). *Project REACH: A Look Back on the First Year*. <https://www.occ.treas.gov/topics/consumers-and-communities/minority-outreach/project-reach-anniversary.pdf>.
- ⁶⁶ *Project REACH: A Look Back on the First Year*, 2021
- ⁶⁷ Federal Housing Administration (2020). *Re-verification of Employment and Exterior-Only and Desktop-Only Appraisal Scope of Work Options for FHA Single Family Programs Impacted By COVID-19*, ML 2020-05.
- ⁶⁸ Broadnax & Wylie 2021
- ⁶⁹ United States Code, 2006 Edition, Supplement 5, Title 12. § 3354(d).
- ⁷⁰ U.S. Bureau of Labor Statistics. (2021, January 22). *Labor Force Statistics from the Current Population Survey*. <https://www.bls.gov/cps/cpsaat11.htm>.
- ⁷¹ Federal Housing Administration (2021, November 15). *FHA FY2021 Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund*.
- ⁷² Neal, M., Stochak, S., Zhu, L., & Young, C. (2020). *How Automated Valuation Models Can Disproportionately Affect Majority-Black Neighborhoods*. https://www.urban.org/sites/default/files/publication/103429/how-automated-valuation-models-can-disproportionately-affect-majority-black-neighborhoods_1.pdf
- ⁷³ Narragon et al, 2021
- ⁷⁴ Avenancio-Leon & Howard, 2021



Bill Color Key	
■	NRPAB High Priority Bills
■	Nebraska State Government Bills
■	General Interest Bills

Legislative Report	
Bill:	LB54
Title:	Change immunity for intentional torts under the Political Subdivisions Tort Claims Act and the State Tort Claims Act
Status:	Jan 05, 2022 - Title printed. Carryover bill
Summary:	<p>This bill amends the Political Subdivisions Tort Claims Act and the State Tort Claims Act to include that any act that is the direct result of the negligent failure of a state agency, political subdivision, or an employee of the state or political subdivision, to protect a person to whom the agency or employee owes a duty of care is not exempt for a claim for damages under each act.</p> <p>AM1268 was adopted by the Judiciary Committee to clarify that harm caused by an intentional tort is a proximate result of the failure of a state agency or political subdivision to exercise reasonable care to either: (i) Control a person over whom it has taken charge; or (ii) Protect a person who is in the state agency's or political subdivision's care, custody, or control from harm caused by a non-employee actor".</p>
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=43993
Notes:	
Bill:	LB61
Title:	Provide formal protest procedures for certain state contracts for services
Status:	Jan 05, 2022 - Title printed. Carryover bill
Summary:	This bill requires that the Department of Administrative Services adopts and promulgates rules and regulations establishing formal protest procedures, including procedures for a contested case hearing, for any contract for services in excess of ten million dollars awarded by any state agency.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=44147
Notes:	

Bill:	LB71
Title:	Change provisions relating to intentional tort claims under the Political Subdivisions Tort Claims Act and State Tort Claims Act
Status:	Jan 05, 2022 - Title printed. Carryover bill
Summary:	This bill amends the Political Subdivisions Tort Claims Act and the State Tort Claims Act to include that any act committed by a third party as a result of negligence by a state agency or political subdivision, or an employee of a state agency or political subdivision, is not exempt for a claim for damages under each act. This bill also includes technical changes, and also allows for previously dismissed claims to be reconsidered under this language.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=43777
Notes:	
Bill:	LB112
Title:	Require members of the public to be allowed to speak at each meeting subject to the Open Meetings Act
Status:	Jan 05, 2022 - Title printed. Carryover bill
Summary:	This bill will require, under Neb. Rev. Stat., Sec. 84-1412, that members of the public be afforded opportunity to speak at any public meeting subject to the Open Meetings Act.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=43447
Notes:	
Bill:	LB179
Title:	Transition from elected to appointed county assessors
Status:	Jan 05, 2022 - Title printed. Carryover bill
Summary:	This bill would eliminate future elections for county assessors where required, and make the county assessor a county board appointed position.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=43522
Notes:	

Bill:	LB213
Title:	Provide for an efficiency review of state agencies
Status:	Jan 05, 2022 - Title printed. Carryover bill
Summary:	This bill would require the Department of Administrative Services to contract with an outside entity to carry out an efficiency review of all state departments, agencies, board, and councils. The review would focus on keeping or making government services more cost effective, eliminating outdated practices, increasing efficiencies, and increasing accountability to taxpayers.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=43711
Notes:	
Bill:	LB221
Title:	Adopt 2021 Uniform Plumbing Code standards
Status:	Jan 05, 2022 - Title printed. Carryover bill
Summary:	This bill would update Nebraska's default plumbing code to the 2021 Uniform Plumbing Code (UPC). The current default plumbing code is the 2009 UPC. The default plumbing code applies in counties, cities, and villages that have not adopted their own local plumbing code. Senator Wayne also introduced LB218 with the intent of adopting the 2018 UPC. LB221 appears to be a replacement for LB218
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=43508
Notes:	
Bill:	LB263
Title:	Require occupational boards to issue certain credentials based on credentials or work experience in another jurisdiction
Status:	Jan 05, 2022 - Title printed. Carryover bill
Summary:	This bill would allow for recognition in Nebraska for most types of occupational licenses issued in other states.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=43709
Notes:	This bill was introduced on behalf of the Platte Institute. Director Kohtz worked with Laura Ebke of the Platte Institute, and Senator Briese's office, to ensure that the provision of this bill will not cause the Board to violate Title XI, the ASC Policy Statements, or the Real Property Appraiser Qualifications Criteria. These issues have been resolved in AM72 introduced during the February 3, 2021 hearing.

Bill:	LB422
Title:	Change the sales tax rate and impose sales tax on additional services
Status:	Jan 05, 2022 - Title printed. Carryover bill
Summary:	This bill would presume all services in Nebraska, except for business inputs, to be subject to taxation, and would lower the sales tax rate to 5 percent. The bill would not take effect until October 1 of 2022.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=43599
Notes:	
Bill:	LB446
Title:	Adopt the Nebraska Housing Index and Financing Investment System Act
Status:	Feb 02, 2022 - Notice of hearing for February 11, 2022 on AM1737
Summary:	This bill adopts the Nebraska Housing Index and Financing Investment Systems Act, which creates a comprehensive, sustainable, and collaborative data system that would include the statewide status of housing stock as well as the types and amounts of state and federal funding available to housing developers. To accomplish this, the bill creates the position of the Nebraska Housing Index and Financing Investment System coordinator within the Nebraska Investment Finance Authority (NIFA). AM86 redrafts the language, but does not appear to include any substantial changes.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=44395
Notes:	AM1737 was filed to strike all original sections and to require that the Governor apply for all federal funds available to this state for emergency rental and mortgage assistance and shall disburse any funds received under this section. The Governor may coordinate with other governmental entities to establish eligibility guidelines for recipients of such funds.
Bill:	LB468
Title:	Provide compensation by the Game and Parks Commission for property damage caused by wildlife
Status:	Jan 05, 2022 - Title printed. Carryover bill
Summary:	LB468 clarifies the meaning of the Article 1, Section 21 of the Nebraska State Constitution to include landowners who have suffered damage to real property caused by wildlife. The bill instructs the Game and Parks Commission to adopt and promulgate rules and regulations for compensating landowners for damages caused by wildlife and mandates the Game and Parks Commission to compensate landowners for damages to property caused by wildlife.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=43980
Notes:	

Bill:	LB489
Title:	Require a financial stability and service capability analysis for certain state contracts
Status:	Jan 05, 2022 - Title printed. Carryover bill
Summary:	<p>As introduced, LB489 would require that prior to entering into a new proposed contract or renewing an existing contract for child welfare services or services to vulnerable adults that is in excess of \$15 million, the agency must conduct a proof-of-need analysis and a financial stability and service capability analysis.</p> <p>AM 337 is a white-copy amendment that would replace the original provisions of LB489. Under the amendment, a state official or state employee, except for an employee of the Legislative Council, would be prohibited from testifying at a public hearing before the Legislature on any issue in any capacity other than neutral, unless such state official or state employee is on unpaid leave from state employment for the duration of the public hearing.</p> <p>AM1217 amends LB489 to strike the original provisions of LB489. Under the amendment, a state official or state employee, except for an employee of the Legislative Council, would be prohibited from testifying at a public hearing before the Legislature on any issue in any capacity other than neutral, unless such state official or state employee is on unpaid leave from state employment for the duration of the public hearing.</p> <p>AM1478 amends AM1217 to allow for state official or state employee to utilize vacation leave in addition to unpaid leave from state employment for the duration of the public hearing.</p>
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=44439
Notes:	
Bill:	LB706
Title:	Change provisions of the Real Property Appraiser Act
Status:	LB706 amended into LB707 through AM1859 , which replaces all original language in LB707.
Summary:	The purpose of LB706 is to update the Nebraska Real Property Appraiser Act (“Act”) to implement the Real Property Appraiser Qualifications Criteria (“2021 Criteria”) adopted by The Appraisal Foundation’s Appraiser Qualifications Board, effective on January 1, 2021; and to maintain compliance with Title XI of the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (“Title XI”). Along with the 2021 Criteria changes, LB706 also includes minor changes to address administration of the Act and reduce unnecessary barriers for real property appraisers and applicants for credentialing.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=46653
Notes:	

Bill:	LB707
Title:	Adopt the LIBOR Transition Act and certain updates to federal law, recognize Juneteenth National Independence Day as a bank holiday, and change provisions relating to accountants, banks, financial institutions, bank subsidiaries, digital-asset depositories, residential mortgage loans, real estate appraisers , public funds, trusts, and the Nebraska Investment Finance Authority
Status:	Mar 30, 2022 – Placed on Final Reading
Summary:	AM1859 replaces all original language in LB707. AM2205 and AM2405 were adopted on March 28, 2022 on Select File, but have no relevancy to the Real Property Appraiser Act.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=47057
Notes:	

Bill:	LB709
Title:	Change requirements relating to preliminary applications under the Occupational Board Reform Act
Status:	Apr 08, 2022 - Hilkemann MO228 pending (Return to Committee).
Summary:	<p>LB709 changes provisions relating to preliminary applications by individuals with a criminal conviction. Specifically, LB709 requires that certain information is required to be reported by the applicant for mitigating factors, only allows for certain felony convictions to be disqualifying, requires issuance of a preliminary adverse determination by the director of the occupational board or the board's designated employee, provides for an opportunity for an informal meeting to be held within sixty days of application, and provides for a waiver of fees based on the applicants income being more than 300% below the federal poverty level.</p> <p>AM1936 makes substantive changes to LB 709 and incorporates provisions from two other bills, Senator Briese's LB 263 and Senator McCollister's LB 1153.</p> <p>1. Senator Briese's LB 263 would create a framework for issuance of Nebraska occupational licenses and occupational certifications based on credentials and work experience from other states. As revised by the committee amendment, these provisions would not apply to the State Electrical Board. The amendment also includes specific language accounting for an applicant for a license in Nebraska who is coming from a state that does not use an occupational license, government certification, or a military occupational specialty to regulate their specific occupation. An applicant must have worked in their previous state for two years, and must hold a private certification in the state. The revised version of the bill also provides for deference to federal regulatory requirements. As amended, the provisions of LB 263 would not apply to occupations regulated by the Supreme Court, the State Electrical Board, the Nebraska Commission on Law Enforcement and Criminal Justice, a credential issued pursuant to the Public Accountancy Act, a viatical settlement broker pursuant to the Viatical Settlements Act, an insurance consultant pursuant to sections 44-2606 to 44-2635, an insurance provider pursuant to the Insurance Producers Licensing Act, a managing general agent pursuant to the Managing General Agents Act, a utilization review agent pursuant to the Utilization Review Act, a surplus lines producer pursuant to the Surplus Lines Insurance Act, a reinsurance intermediary-broker or reinsurance intermediary-manager pursuant to the Reinsurance Intermediary Act, or a public adjuster pursuant to the Public Adjusters Licensing Act.</p>
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=47188
Notes:	Senator McCollister filed AM2707 on April 7, 2022. AM2707 included a majority exemption from LB709 for the Department of Banking and the Real Estate Commission. Director Kohtz discussed the relationship between these agencies and the NRPAB with Senator McCollister's office, along with the NRPAB's background review program, and followed this discussion with an email requesting that the NRPAB be considered for the same exemption from LB709. The last motion was to return to committee (no vote). This bill will not reappear on the agenda during this session.

Bill:	LB742
Title:	Provide for minutes to be kept in an electronic record under the Open Meetings Act
Status:	Apr 05, 2022 - Placed on Final Reading
Summary:	LB742 requires that meeting minutes be kept in writing or as an electronic file.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=47427
Notes:	
Bill:	LB743
Title:	Change provisions relating to when closed sessions may be held under the Open Meetings Act
Status:	Feb 01, 2022 - Notice of hearing for February 09, 2022
Summary:	LB743 would limit closed meetings for public bodies, including subcommittees, to the six stated purposes already contained in Nebraska State Statute 84-1410(1). These six stated purposes include: a) Strategy sessions, b) the deployment of safety personnel, c) investigative proceedings for criminal acts, d) job performance evaluations, e) Community Trust allocations, and f) various public hospital issues. Currently, public bodies, including subcommittees are not limited to these six stated purposes.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=47190
Notes:	Letter sent to Senator Erdman (Government, Military and Veterans Affairs Committee Chairperson cc'ed) requesting that this bill be amended to include discussion involving any matter related to records that may be withheld from the public under N.R.S. § 84-712.05(5) be added to the stated purposes for which closed session could be held.
Bill:	LB769
Title:	Require certain state employees to submit to fingerprinting and criminal history record checks
Status:	Mar 10, 2022 - Placed on Final Reading
Summary:	LB769 requires certain state employees in the Department of Banking and Finance, the Department of Economic Development, the Department of Health and Human Services, the Department of Labor, and the Department of Revenue to submit to fingerprinting and criminal history record Checks related to their access to state and federal tax information.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=46965
Notes:	

Bill:	LB778
Title:	Adopt the Government Neutrality in Contracting Act
Status:	Jan 18, 2022 - Notice of hearing for January 27, 2022
Summary:	The purposes of LB778 are to provide for the efficient procurement of goods and services by governmental units and to promote the economical, nondiscriminatory, and efficient administration and completion of construction projects funded, assisted, or awarded by a governmental unit. LB778 limits or prohibits certain language or provisions from state contracts.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=46913
Notes:	
Bill:	LB823
Title:	Prohibit state agencies from imposing annual filing and reporting requirements on charitable organizations
Status:	Feb 10, 2022 - Placed on General File with AM1694
Summary:	LB823 prohibits state agencies from imposing annual filing and reporting requirements on charitable organizations greater than those defined in state or federal law.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=46952
Notes:	
Bill:	LB908
Title:	Provide additional requirements for virtual conferencing under the Open Meetings Act
Status:	Apr 05, 2022 - Placed on Final Reading
Summary:	LB908 provides that a public body may only hold a meeting by virtual conferencing if the purpose of the virtual meeting is to discuss items that are scheduled to be discussed or acted upon at a subsequent non-virtual open meeting of the public body, and no action is taken by the public body at the virtual meeting. AM1950 clarifies that LB908 shall not be in conflict with other statutory authorizations for virtual conferencing.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=47156
Notes:	

Bill:	LB975
Title:	Provide a requirement for state officials and state employees testifying before the Legislature
Status:	Jan 19, 2022 - Notice of hearing for January 26, 2022
Summary:	LB975 would provide that a state official or state employee, except for an employee of the Legislative Council, is prohibited from testifying at a public hearing before the Legislature on any issue in any capacity other than neutral, unless such state official or state employee is on unpaid or vacation leave from state employment for the duration of the public hearing.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=47531
Notes:	
Bill:	LB1011
Title:	Provide, change, and eliminate provisions relating to appropriations
Status:	Apr 07, 2022 – Certificate
Summary:	LB1011, introduced by the Speaker at the request of the Governor, is part of the Governor's biennial budget recommendations. This bill makes adjustments to the appropriations and reappropriations for state operations and aid programs in the current fiscal year ending June 30, 2022.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=46975
Notes:	<p>This is the State’s mid-biennium budget request bill that includes the Board’s request for additional appropriations due to employee position reclassification.</p> <p>Certificate - Legislative Bill 1011, having been returned by the Governor with his signature, but with line-item vetoes, the Legislature by the constitutional majority has overridden the line-item vetoes and has become law this 7th day of April 2022.</p>
Bill:	LB1127
Title:	Adopt the Regulatory Sandbox Act
Status:	Jan 26, 2022 - Notice of hearing for February 14, 2022
Summary:	LB1127 would provide for adoption of the regulatory sandbox program, which allows a person to temporarily demonstrate an innovative offering under a waiver or suspension of one or more state laws or regulations.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=47313
Notes:	

Bill:	LB1174
Title:	Require state entities to report to the Legislature regarding operations and require a hearing by a legislative standing committee
Status:	Jan 25, 2022 - Notice of hearing for February 01, 2022
Summary:	LB1174 will require state agencies and budgetary programs to come before their respective committee of jurisdiction once every 5 years and report on the state of the agency or program, its operations, its goals going forward, or, whether or not there is a need for its continuation.
Legislature Information and Status:	https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=47151
Notes:	

ONE HUNDRED SEVENTH LEGISLATURE

SECOND SESSION

LEGISLATIVE RESOLUTION 372

Introduced by Williams, 36.

PURPOSE: The purpose of this resolution is to propose an interim study to examine whether the Real Property Appraiser Act should be updated. In order to carry out the purpose of this resolution, the committee should seek the assistance of the Real Property Appraiser Board and should consider the input of interested persons as the committee deems necessary and appropriate.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Banking, Commerce and Insurance Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.



UNITED STATES CITIZENSHIP ATTESTATION FORM

For the purpose of complying with Neb. Rev. Stat. §§ 4-108 through 4-114, I attest as follows:

I am a citizen of the United States of America

OR

I am a qualified alien under the federal Immigration and Nationality Act, 8 U.S.C. 1101 et seq., am lawfully present in the United States, and have included a copy of my USCIS documentation with this application.

Immigration Status: _____ Alien Number: _____

OR

I am not a citizen of the United States of America and I am not a qualified alien under the federal Immigration and Nationality Act. I am described in section 202(c)(2)(B)(i) through (x) of the federal REAL ID Act of 2005, Public Law 109-13, have demonstrated lawful presence pursuant to section 4-108, and I am eligible to obtain a credential as a real property appraiser.

If I am not a citizen of the United States of America and I am not a qualified alien under the federal Immigration and Nationality Act:

- I understand that I must submit (i) an unexpired employment authorization document issued by the United States Department of Homeland Security, Form I-766, and (ii) documentation issued by the United States Department of Homeland Security, the United States Citizenship and Immigration Services, or any other federal agency, such as one of the types of Form I-797 used by the United States Citizenship and Immigration Services, demonstrating that I am described in section 202(c)(2)(B)(i) through (x) of the federal REAL ID Act of 2005, Public Law 109-13, have demonstrated lawful presence pursuant to Neb. Rev. Stat. § 4-108, and am eligible to obtain a real property appraiser credential.
- I understand that such credential shall be valid only for the period of time during which my employment authorization document is valid, and that my employment authorization document shall be verified through the Systematic Alien Verification for Entitlements Program operated by the United States Department of Homeland Security or an equivalent program designated by the United States Department of Homeland Security.

I hereby attest that my response and the information provided on this form and any related application for public benefits are true, complete, and accurate and I understand that this information may be used to verify my lawful presence in the United States of America.

Print Name: _____
Last First Middle

Applicant's Signature Date



THE NEBRASKA APPRAISER

News from the Nebraska Real Property Appraiser Board

Spring 2022

Director's Comments



Tyler Kohtz has been the Director for the Nebraska Real Property Appraiser Board since March of 2012. He is responsible for the development, implementation, and management of all programs for the agency, including the administration and enforcement of the Real Property Appraiser Act and the Appraisal Management Company Registration Act.

Director Tyler Kohtz

Housekeeping

This is one of the few times of the year that the Board gets a chance to catch its breath. The real property appraiser renewals are mostly complete, staff has processed the bulk of the AMC renewal applications, and the legislative session has ended. The Board has been busy preparing the next update to Title 298, getting the record keeping caught up, and laying the groundwork for the next strategic planning meeting. BEPM Duerig has also been hard at work getting real property appraisers “hooked” to Centurion Blue to ensure that all real property appraisers have access to Appraiser Login. If you have been contacted by her, please be sure to get in touch with her to complete this task. On another note, the Appraisal Subcommittee completed its first State Offsite Assessment of the Board’s programs and found no areas of potential risk during their assessment. As always, the Board is here for you, so please feel free to reach out with any questions or comments that you might have, and I hope that you enjoy this edition of The Nebraska Appraiser.

In This Issue

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NRPAB Quick Hits:

- ASC State Off-Site Assessment
- Accessing Appraiser Login through Centurion Blue Account
- Guidance Documents Adopted/Retired Between January and March of 2021
- Compliance Update (January — March 2022)
- USPAP Q&As 2022-02: Using Rules of Thumb for Market Adjustments
- Legislation of NRPAB Interest

Coming and Going:

- Who’s New? (January – March)
- Real Property Appraiser and AMC Numbers and Trends as of April 1, 2022
- Real Property Appraiser Credential Renewal Report as of April 2022

Financial Snapshot:

- March 31, 2021 Financial Report

Upcoming NRPAB Meetings:

- ◆ July 21, 2022 @ NRPAB Office (Conference Room)
- ◆ August 18, 2022 @ NRPAB Office (Conference Room)
- ◆ September 15, 2022 @ NRPAB Office (Conference Room)

These meeting dates are all tentative. Please check the Board’s Facebook page or website for information as these dates approach. The start time for each meeting can be found in the public notice and on the agenda posted to the Board’s website at least 48 hours prior to the start of the meeting. Any meeting also held by virtual conferencing will be stated as such in the public notice for that meeting.

Changes to the Nebraska Real Property Appraiser Act Approved by the Nebraska State Legislature (LB707)

By Tyler N. Kohtz, Director

LB706 was introduced by Senator Williams on January 5, 2022 to update the Nebraska Real Property Appraiser Act (“Act”) to implement the Real Property Appraiser Qualifications Criteria adopted by The Appraisal Foundation’s Appraiser Qualifications Board, effective on January 1, 2021; and to maintain compliance with Title XI of FIRREA along with the Policy Statements of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council. LB706 was amended into LB707 through [AM1859](#) on February 16, 2022. LB707 was passed by the Nebraska State Legislature on April 12, 2022. Specifically, in LB707:

The word “awarded” is replaced with “issued” in the definition of “Completed application” found in Neb. Rev. Stat. § 76-2207.23 for consistency throughout the Act;

Neb. Rev. Stat. § 76-2218 is modified to expand the definition of “two-year education period” to allow those who obtain their Nebraska real property appraiser credential through reciprocity to utilize continuing education credits earned as a credentialed appraiser of the same class in another jurisdiction prior to being issued a credential in Nebraska;

The phrase “except that a real property appraiser or a person licensed under the Nebraska Real Estate Licensed Act is not exempt under this subdivision” is stricken from Neb. Rev. Stat. § 76-2221(4),(5) concerning a person licensed under the Nebraska Real Estate Licensed Act who is also an owner of real estate, employee of the owner, or attorney licensed to practice law in this state representing the owner that may render an opinion of value of the real estate or any interest in the real estate when such estimate or opinion is for the purpose of real estate taxation or offered as testimony in any condemnation proceeding;

The language “Successfully complete a PAREA program. If the PAREA program does not satisfy all required experience for credentialing, the remaining experience hours shall be completed pursuant to subdivision...” is added in Neb. Rev. Stat. §§ 76-2230, 76-2231.01, and 76-2232 to allow the successful completion of a PAREA program to be accepted in place of traditional real property appraisal practice experience hours;

“From an accredited degree-awarding community college, college, or university” is stricken from Neb. Rev. Stat. § 76-2231.01(1)(b)(iv) to align with the Real Property Appraiser Qualifications Criteria, which does not require that a College-Level Examination Program be administered by an accredited degree-awarding community college, college, or university;



What's new at The Appraisal Foundation?
appraisalfoundation.org



What's new at the Appraisal Subcommittee?
asc.gov



What's new at the AARO?
aaro.net

Changes to the Nebraska Real Property Appraiser Act Approved by the Nebraska State Legislature (Continued)

“College composition” and “college mathematics” is stricken from Neb. Rev. Stat. § 76-2231.01(1)(b)(iv) (A), and new subdivision (B), which adds the language “Six semester hours in each of the following subject matter areas: College composition; and college mathematics” is added to correct incorrect language found in the Act as the Real Property Appraiser Qualifications Criteria requires that the College-Level Examination Program examinations include six semester hours for college composition and six semester hours for college mathematics;

The phrase “and completion date” is stricken from Neb. Rev. Stat. § 76-2223.01(2)(b) as each temporary credential expires upon the completion of the assignment or upon the expiration of a period of six months from the date of issuance, whichever occurs first and the anticipated completion date is often unknown in advance;

The phrase “The continuing education period begins on January 1 of the next year for any credential holder who first obtained his or her credential at the current level on or after July 1” is stricken from Neb. Rev. Stat. § 76-2236 as the two-year continuing education period for each credential holder is defined in Neb. Rev. Stat. § 76-2218;

Updates “2021” to “2022” in the definition of “Financial Institutions Reform, Recovery, and Enforcement Act of 1989” and “Uniform Standards of Professional Appraisal Practice;” and

A new definition “PAREA program” is added for Practical Applications of Real Estate Appraisal programs approved by The Appraiser Qualifications Board of The Appraisal Foundation.

Finally, LB707 also includes minor changes to clean up the language and to address the administration of the Act. More details regarding the specifics of these changes can be provided upon request. If you have questions regarding LB707 or the changes to the Nebraska Real Property Appraiser Act, please contact me by email at tyler.kohtz@nebraska.gov, or by phone at 402-471-9015.

NRPAB Quick Hits

- ◆ Pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (Title XI), the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council monitors each State’s appraiser and AMC regulatory programs to ensure the State:
 - Recognizes and enforces the standards, requirements, and procedures prescribed by Title XI;
 - Has adequate authority to permit it to carry out its Title XI related functions; and
 - Makes decisions concerning appraisal standards, appraiser qualifications and supervision of appraiser practices consistent with Title XI.

The ASC performed an State Off-Site Assessment (“SOA”) of the State of Nebraska Appraiser Regulatory Program and AMC Regulatory Program in February of 2022. Although the ASC does not issue a finding for an SOA, the ASC noted that the Board’s Appraiser Regulatory Program has no areas of potential risk, and observed that 298 NAC Chapter 7, § 003.01 and the Federally Regulated AMC Reporting Form requires information of Federally Regulated AMCs that is beyond the authority of the AMC Rule and Revised Bulletin 2017 -01 issued April 16, 2018. The Board removed the collection of this information during the ASC’s SOA.

- ◆ The Board’s staff is working to make sure that all Nebraska real property appraisers have access to Appraiser Login. In January 2021, the Board announced that Appraiser Login had been enhanced to include an online real property appraiser renewal application and contact information self-service interface. The additional security required for these enhancements meant that Appraiser Login had to be moved to the Centurion Blue platform. As of April 2022, around 80% of appraisers have taken the steps to create new Centurion login information and access Appraiser Login. In addition to renewing a credential and updating contact information, one may submit education completion certificates, review education history, and download the eUSPAP through Appraiser Login as well. If you have not received an invitation to Centurion Blue, and have never accessed Appraiser Login via Centurion Blue, please contact the Board’s office at nrpab.AppraiserLogin@nebraska.gov or 402-471-9015.

NRPAB Quick Hits

- ◆ The Nebraska Real Property Appraiser Board retired Guidance Document 21-01, and adopted no new guidance documents between January and March. All Guidance Documents are available for viewing on the Board's website at: https://appraiser.ne.gov/guidance_documents.html.
- ◆ Compliance Update
 - * Between the months of January and March, no grievances were filed against any Nebraska credentialed real property appraisers; the Board closed one grievance. During this time, no disciplinary actions were taken by the Board against any appraisers.
 - * Between the months of January and March, no grievances were filed against any appraisal management companies. During this time, no disciplinary actions were taken by the Board against any appraisal management companies.
 - * During its March 17, 2022 meeting, the Board discussed the USPAP Q&A from the Appraisal Standards Board titled, "Using Rules of Thumb for Market Adjustments." A rule-of-thumb does not meet the appraisal development requirements. Standards Rule 1-3(a) requires an appraiser to identify and analyze market data and to draw supported conclusions. Simply applying a rule-of-thumb to determine whether to make an adjustment for market conditions without analyzing market data and concluding what it indicates results in an unsupported conclusion and may result in misleading assignment results.



NRPAB Staff

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Fax: 402-471-9017
Website: <https://appraiser.ne.gov/>



[Visit NRPAB on Facebook](#)

Have questions? We have answers!

Questions related to appraisal management company registration and renewal: nrpab.amc@nebraska.gov

Questions related to real property appraiser credentialing: nrpab.credentialing@nebraska.gov

Questions related to real property appraiser credential renewal: nrpab.renewals@nebraska.gov

Questions related to real property appraiser education (QE & CE): nrpab.education@nebraska.gov

Questions related to investigations, or how to file a grievance: nrpab.compliance@nebraska.gov

Questions related to Appraiser Login: nrpab.AppraiserLogin@nebraska.gov

General Questions: nrpab.questions@nebraska.gov

NRPAB Quick Hits

- ◆ In addition to LB707, the Board is also interested in many other legislative bills active during the current session. A summary of these bills, along with the link to the legislative information, can be found on the main page of the Board's website at: appraiser.ne.gov. Select the hyperlink titled "2022 Legislative Bills of NRPAB Interest" in the blue box on the right-hand side of the page. If you have any comments regarding any of the bills listed in this document, please feel free to contact the Board's office at 402-471-9015, or email Director Kohtz at tyler.kohtz@nebraska.gov.

Who's New?

The Nebraska Real Property Appraiser Board congratulates the following individuals who received real property appraiser credentials, and the organizations newly registered as appraisal management companies, between January and March of 2022.

Trainee Real Property Appraisers

Mary Dorn, Lincoln NE – T2022001
Michael Tolley, Omaha NE - T2022002
Emily Kaiser, Lincoln NE – T2022003
Emma Loseke, Lincoln NE – T2022004
Dawson Coughlin, Fremont NE – T2022005

Licensed Residential Real Property Appraisers

Brandon Cernik, Omaha NE – L2022001

Certified Residential Real Property Appraisers

Ann Kaczmarek, Saint Augustine FL – CR2022001R
Katie McGarvie, Lincoln NE – CR2022002
Cathleen Van Winkle, Lincoln NE – CR2022003

Certified General Real Property Appraisers

Ethan Sorensen, Lincoln NE – CG2022001
Walker Kelly, Fort Worth TX – CG2022002R
Michael O'Brien, Fort Worth TX – CG2022003R
Michael Wilken, Oxford NE – CG2022004
Steven Hickstein, Casper WY – CG2022005R
Douglas Hattery, Davenport IA – CG2022006R
Lee Canel, Wilmette IL – CG2022007R
Emily Lucke, Cora WY – CG2022008R
David Mielnicki, Clarkston MI – CG2022009R
Ryan Fix, Wray CO – CG2022010R
Logan Woodward, Gering NE – CG2022011
Erik Hill, Dallas TX – CG2022012R
Jeffrey Rauland, Aubrey TX – CG2022013R
Leo Kao, Los Angeles CA – CG2022014R

Appraisal Management Companies

Change AMC, LLC – NE2021009
Think Tank AMC, LLC – NE2021010



Board Members

Chairperson of the Board
Thomas M. Luhrs, Imperial
Certified General Appraiser
Licensed Real Estate Broker Rep
Term Expires: January 1, 2023

Vice-Chairperson of the Board
Wade Walkenhorst, Lincoln
Financial Institutions Rep
Term Expires: January 1, 2024

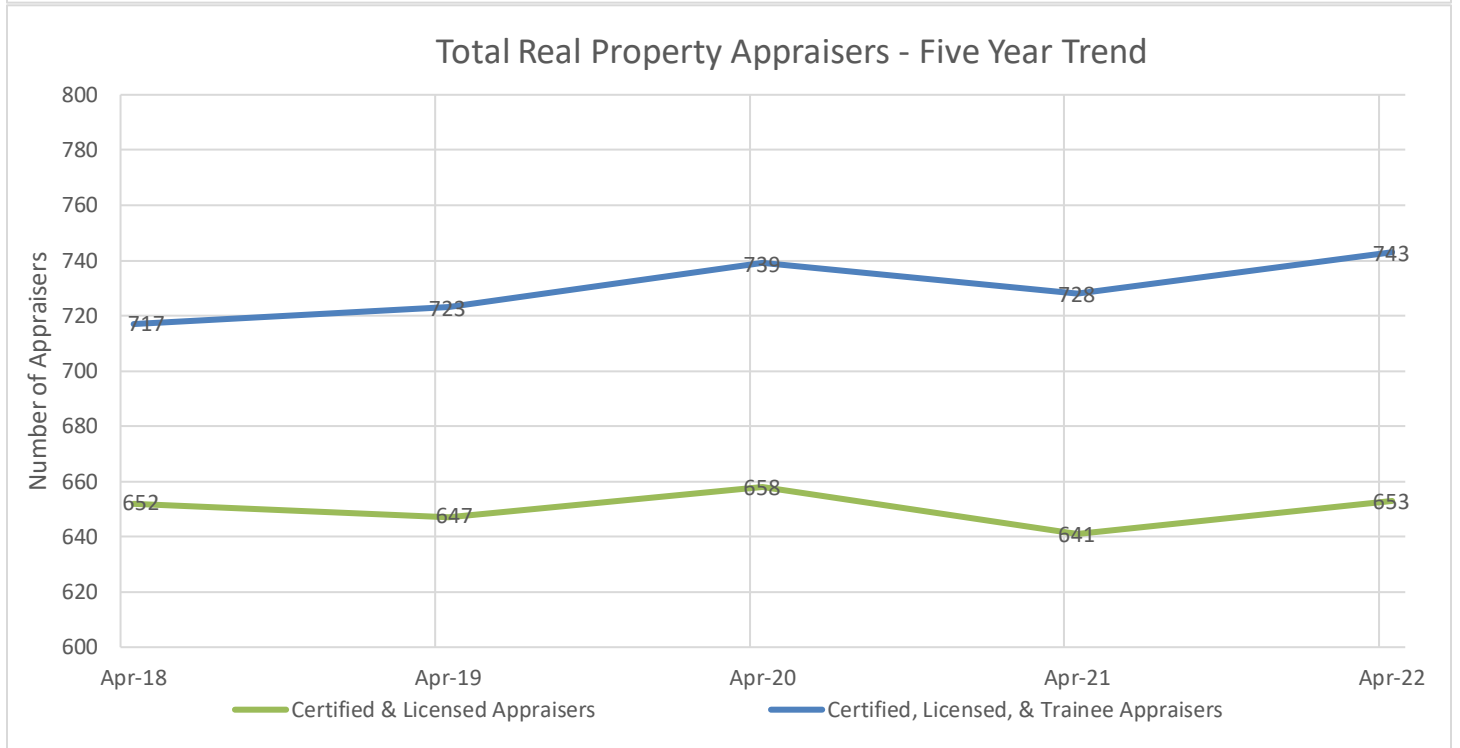
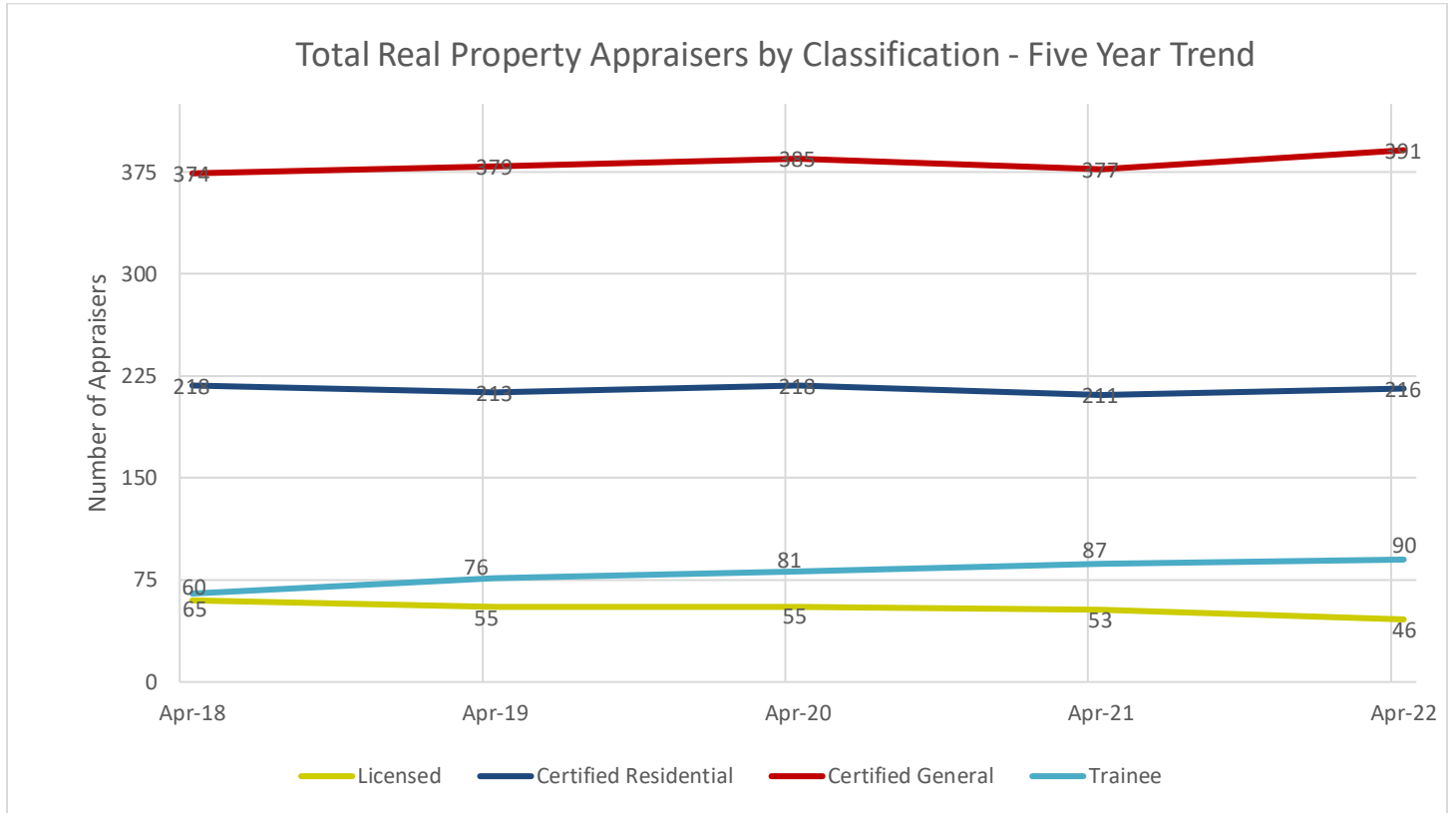
Board Member
Bonnie M. Downing, Dunning
Certified General Appraiser
3rd District Representative
Term Expires: January 1, 2025

Board Member
Cody Gerdes, Lincoln
Certified General Appraiser
1st District Representative
Term Expires: January 1, 2026

Board Member
Kevin Hermsen, Gretna
Certified General Appraiser
2nd District Representative
Term Expires: January 1, 2027

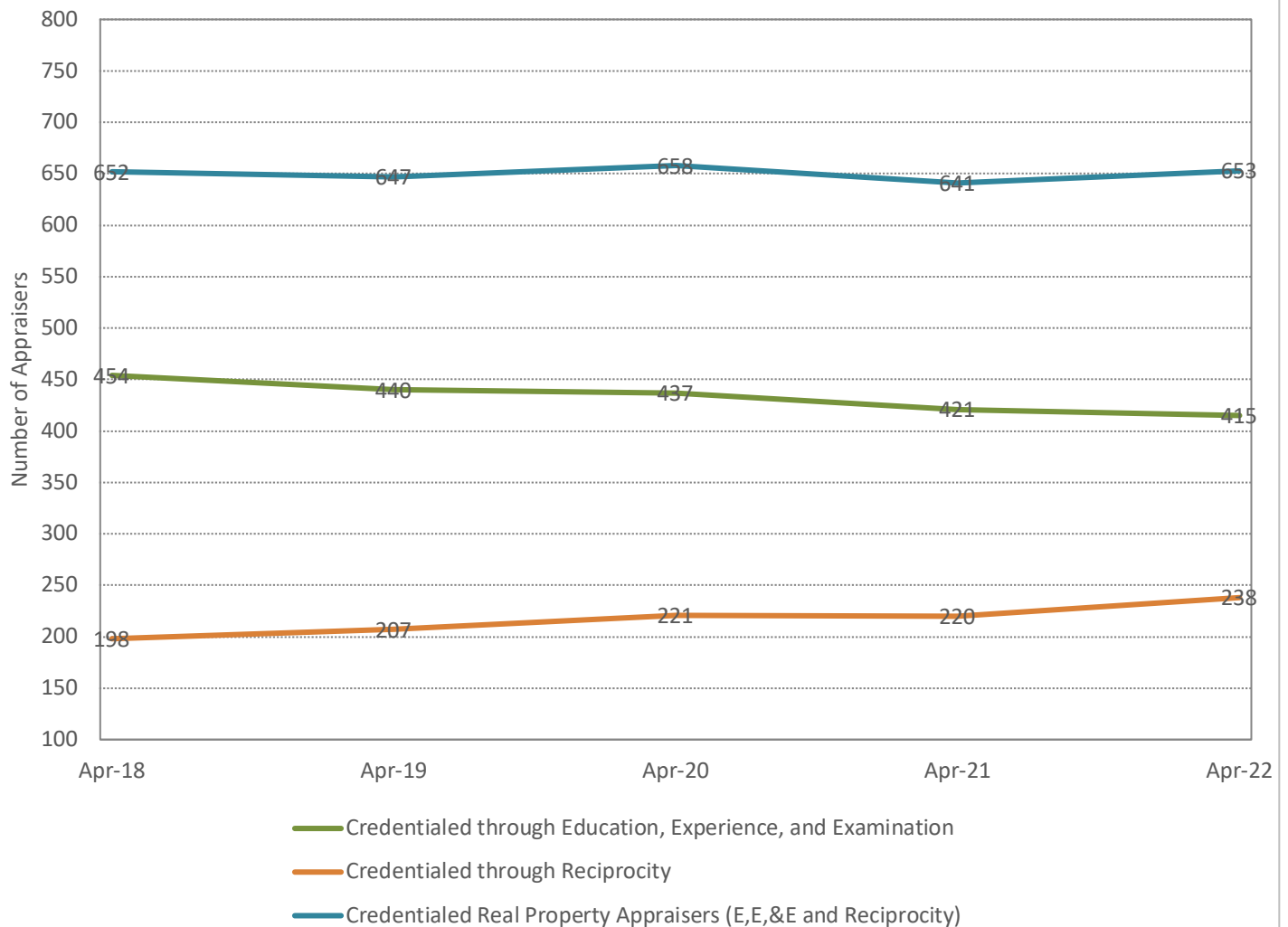
Real Property Appraiser and AMC Numbers and Trends as of April 1, 2022

The charts below outline the five-year trend for the number of Nebraska credentialed real property appraisers and Nebraska registered appraisal management companies as of April 1, 2022. There are currently 653 licensed residential, certified residential, and certified general real property appraisers in Nebraska, and 90 credentialed trainee real property appraisers. In addition, there are currently 94 appraisal management companies registered in Nebraska.

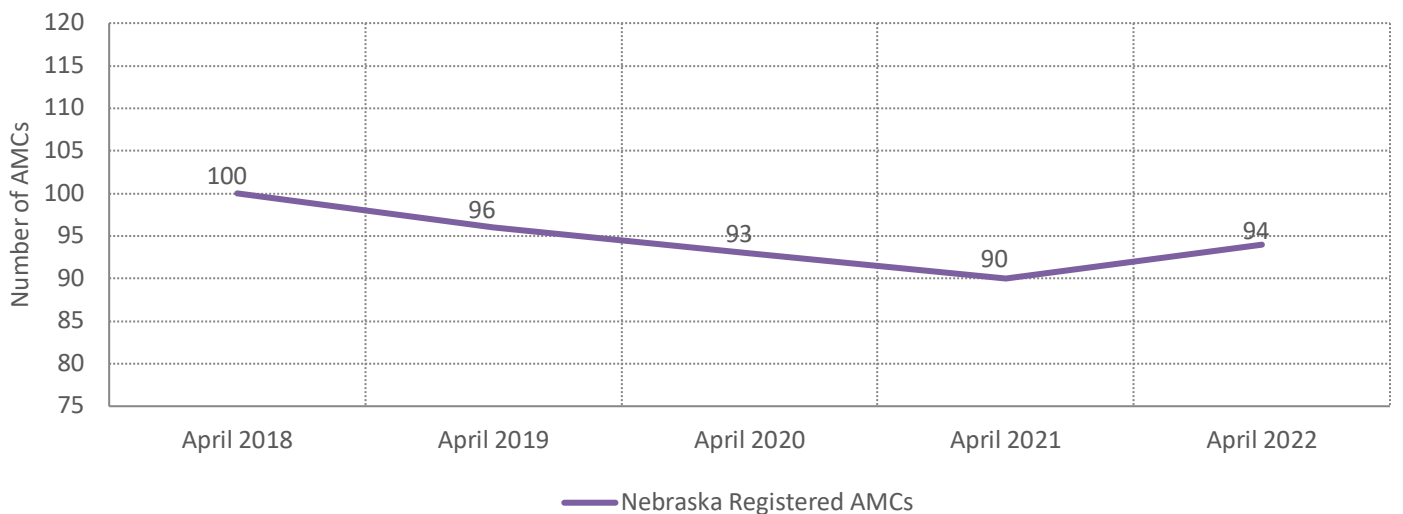


Real Property Appraiser and AMC Numbers and Trends as of April 1, 2022 (Continued)

Total Real Property Appraisers (not including Trainee) - Five Year Trend



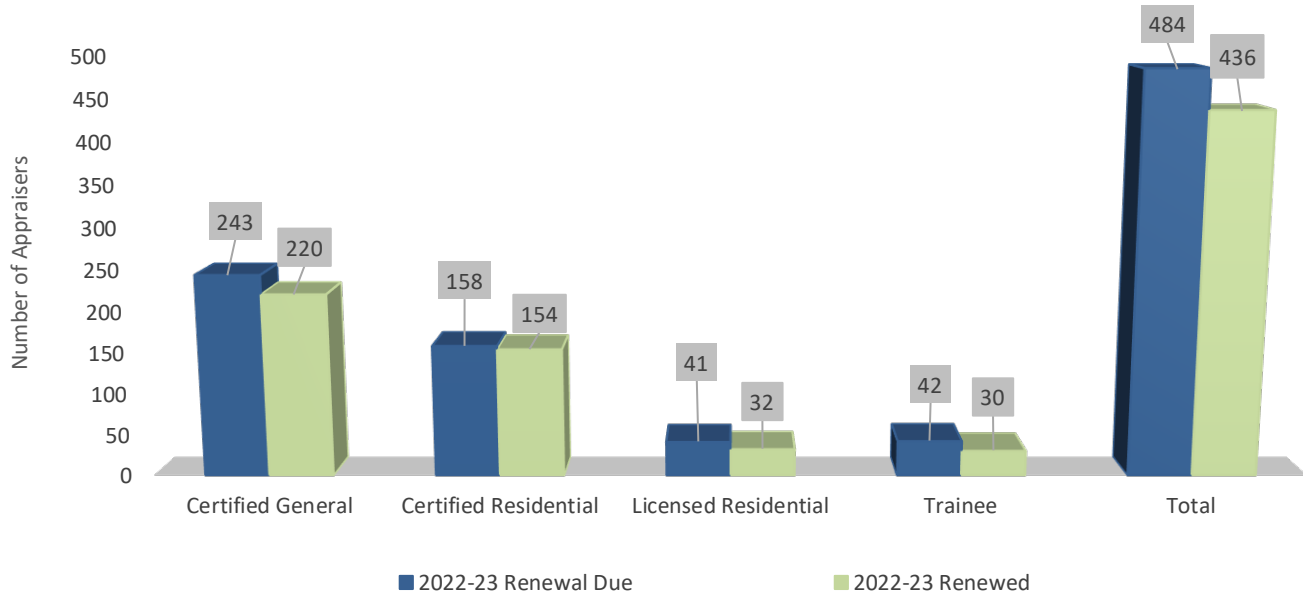
Appraisal Management Companies - Five Year Trend



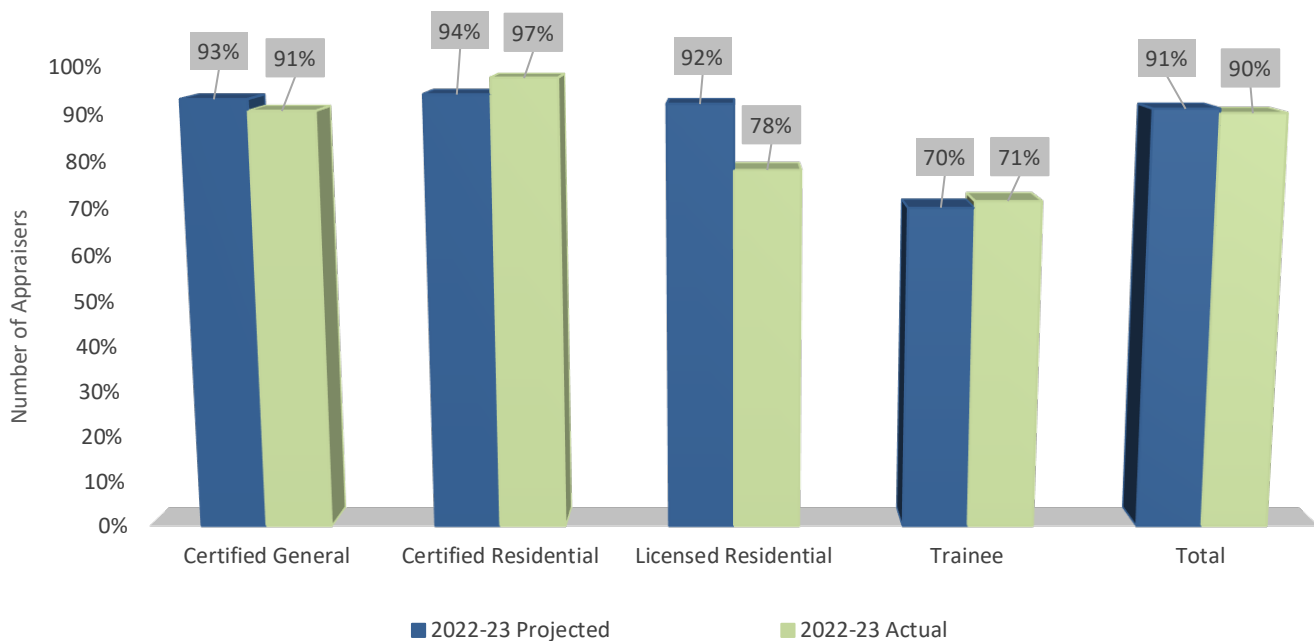
Real Property Appraiser Renewal Counts and Percentages as of April 2022

The charts below outline the real property appraiser renewal counts and percentages as of April 2022. There were 484 trainee, licensed residential, certified residential, and certified general real property appraiser renewals due, and 436 credentials were renewed.

2022-23 REAL PROPERTY APPRAISER RENEWAL PROGRESS REPORT - APRIL 2022

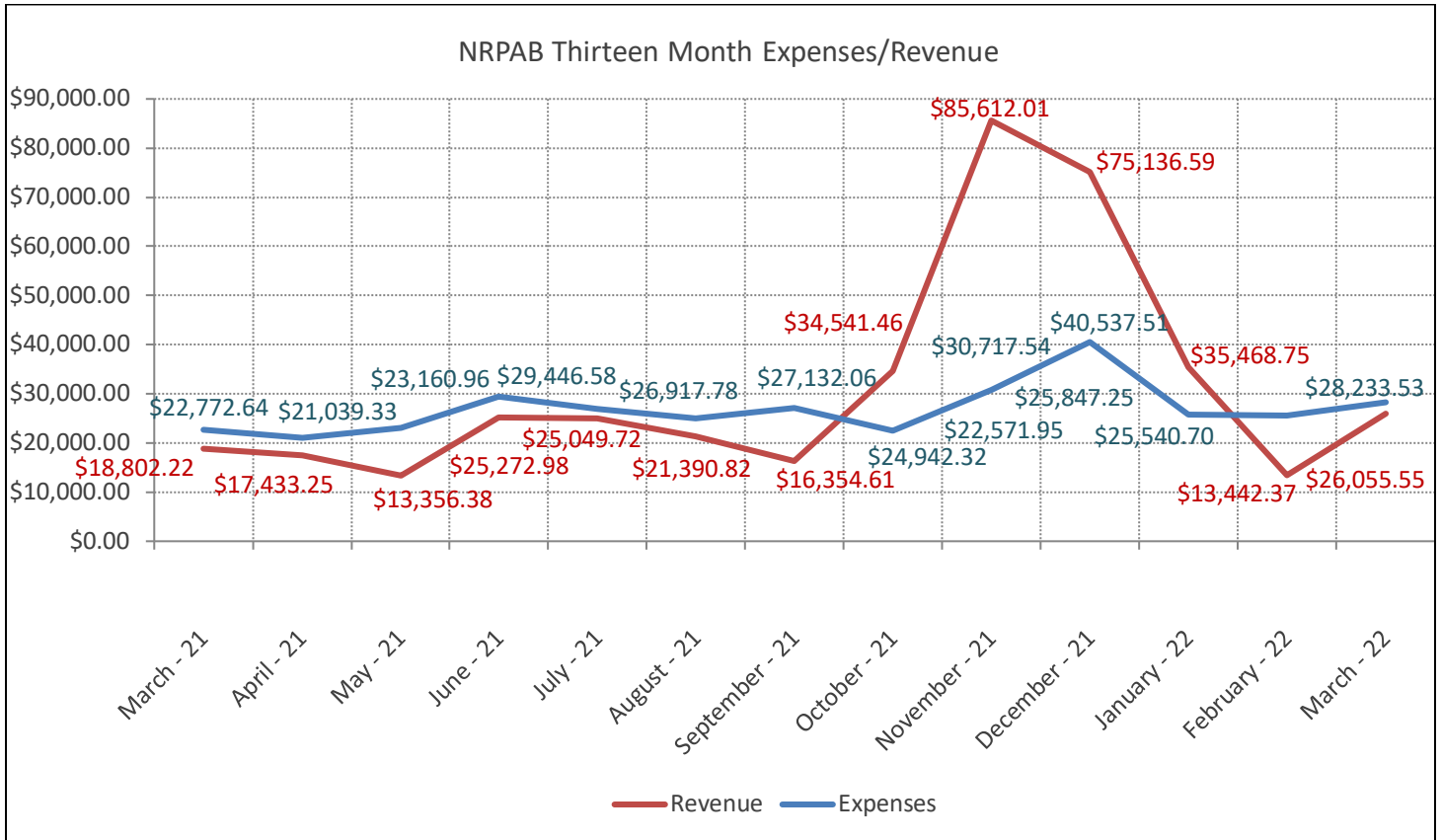


2022-23 PERCENTAGE PROJECTIONS/ACTUALS RENEWAL PROGRESS REPORT - APRIL 2022



NRPAB Financial Snapshot as of March 31, 2022

For the Real Property Appraiser Program, which includes both the appraiser fund and the AMC fund, a total of \$252,440.64 in expenditures and \$333,051.88 in revenues were recorded as of March 31, 2022. Actual expenses registered at 60.37 percent of the budgeted expenditures for the fiscal year; 75.07 percent of the fiscal year has passed.



Appraiser Login

Mission:
The Mission of the Nebraska Real Property Appraiser Board is to administer and enforce the Nebraska Real Property Appraiser Act and Nebraska Appraisal Management Company Registration Act with efficiency, equity, and integrity to ensure that the citizens of Nebraska are protected and served, and that the appraisal services community is highly qualified through education, experience, and examination.

Vision:
The Nebraska Real Property Appraiser Board's vision is to provide leadership for the appraisal industry in the State of Nebraska. The Board will generate interest by promoting the appraiser profession, building positive public awareness of the industry throughout the State, and identifying and resolving issues faced by the public and appraisal services community. The Nebraska Real Property Appraiser Board will also establish and maintain standards for appraisers and appraisal management companies that lays the foundation for a highly qualified, motivated, dependable, and ethical appraisal services community in Nebraska.

Information about the 2021-22 Renewal Period:
[2021-22 Real Property Appraiser Continuing Education Requirements \(pdf\)](#)
[2021-22 Renewal Questions & Answers \(pdf\)](#)

- AMC Registration
- Appraiser Credentialing
- Board Meetings
- Education
- Enforcement
- Laws, Regulations, and Guidance Documents
- Public Information
- Request Forms
- USPAP Review Report Forms
- 2021-22 Renewal Applications
- COVID-19 Information
- 2021 Legislation of NRPAB Interest

Your credentialing card, the Online Renewal Application with EFW Payment, the Education Submission Portal, continuing education requirements, education history, and USPAP download are all found in the Appraiser Login on the Board's website.



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Temporary Waiver Requests ▶

ASC Grants ▶

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ASC Quarterly Meeting

Wednesday June 08, 2022

The ASC Quarterly Meeting will be held on Wednesday, June 8, 2022 at 10:00 a.m. ET. The meeting agenda, registration information, and meeting location will be posted here approximately two weeks before the Meeting.

Persons wishing to address the ASC members at a regular meeting may submit a request to the Chairman no less than 2 weeks in advance of a regular meeting date detailing the nature of the request. Such participation by public attendees is entirely at the Chairman's discretion, and if granted, is subject to time limitation as specified by the Chairman.

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**APPRAISAL SUBCOMMITTEE
OPEN SESSION SPECIAL MEETING MINUTES
DECEMBER 8, 2021**

LOCATION: Zoom Conference

ATTENDEES

ASC MEMBERS: CFPB – John Schroeder (Vice Chair)
FDIC – John Jilovec
FHFA – Robert Witt
HUD – Bobbi Borland
NCUA – Tim Segerson (Chair)
OCC – James Rives

ASC STAFF: Executive Director – Jim Park
Deputy Executive Director – Denise Graves
General Counsel – Alice Ritter
Grants Director – Mark Abbott
Financial Manager – Girard Hull
Attorney-Advisor – Ada Bohorfoush
Management and Program Analyst – Lori Schuster
Administrative Officer – Brian Kelly
Regulatory Affairs Specialist – Maria Brown
Policy Manager – Claire Brooks
Policy Manager – Neal Fenochietti
Policy Manager – Kristi Klamet

OBSERVERS: See attached list.

The Meeting was called to order at 11:03 a.m. by Chair T. Segerson.

REPORTS

- **Chairman**

T. Segerson thanked observers for attending. He noted that this is the last ASC Meeting for 2021. The recommendations from the Property Appraisal and Valuation Equity Task Force (PAVE) are being finalized. The report on the review of the Real Property Appraiser Qualification Criteria (AQB Criteria) and the Uniform Standards of Professional Appraisal Practice (USPAP) is nearly complete. The goal of the review is to ensure that the AQB Criteria and USPAP do not encourage or systematize bias, and consistently support or promote fairness, equity, objectivity and diversity in both appraisals and the training and credentialing of appraisers.

- **Executive Director**

J. Park updated the ASC on recent staff activity as noted below.

- The State Off-Site Assessments (SOA) that were initiated at the beginning of 2021 are going well. ASC staff has completed 17 SOAs with several in process. J. Schroeder asked if ASC staff will continue with SOAs in 2022 or start on-site Compliance Reviews (CR). D. Graves responded that there may be a couple of States that will have an on-site CR scheduled at the end of Fiscal Year (FY) 2022 as well as a one-day SOA for States that have new staff.
- J. Park reported on the ASC Roundtables held on September 22nd and November 9th. The Roundtables included a diverse audience of the lending and fair housing industries as well as individual appraisers and appraisal management companies. The November 9th Roundtable included a breakout session that served as a listening session for PAVE. Due to Federal Advisory Committee Act Rules, PAVE representatives were unable to answer any questions, but they did appreciate the opportunity to hear from attendees. There was also a breakout session with Freddie Mac to discuss its report on appraisal bias and to answer questions from attendees. A third Roundtable is being planned for the first quarter of 2022.
- J. Park noted that PAVE's work is winding down. T. Segerson thanked ASC staff for their participation in PAVE.

- **Grants Director**

M. Abbott provided an update of the grants program. Two States have submitted renewal applications for their current grants, and he anticipates that eight States awarded grants in the first round of FY21 will submit renewals. Financial status and progress reports from current grants show great progress. New grant applications will now be allowed on a rolling basis.

As to the Cooperative agreement with the Council on Licensure, Enforcement & Regulation, work continues on developing training for States and the census/survey project. As noted by the Chair earlier, the USPAP/AQB Criteria Review is nearly complete.

The ASC has been asked to support grants allowing minority and underrepresented groups into the appraiser profession. He will remind States that they can use grant funds to support these initiatives.

T. Segerson asked for an update on outreach for diversity initiatives with PAVE. M. Abbott responded that ASC staff believes that quality supervisors can help the States better administer their Title XI requirements. Mississippi and South Dakota will recruit underrepresented groups to work with those supervisors. ASC staff will consider other models to reform the supervisory model and encourage States to do so as well.

- **Financial Manager**

G. Hull provided a financial update since the ASC's September 15th Meeting. In FY21, which ended on September 30th, the ASC's unaudited financial statements recognize \$9.8M

of total revenue, representing 97% of the budgeted \$10.2M. Total AMC Registry revenue was \$6.4M with 46 States populating the AMC Registry. Appraiser Registry fees totaled \$3.4M. FY21 expenses totaled approximately \$5M as budgeted. The net income for FY21 was \$5M with a total of \$5.5M in the reserve account. The FY21 financial audit is scheduled to start next week. J. Jilovec asked which States are not submitting data to the AMC Registry and G. Hull responded that Hawaii, Maine, and Massachusetts are not submitting data at this time.

ACTION ITEMS

- **September 15, 2021 Open Session Minutes**

J. Jilovec made a motion to approve the September 15th open session meeting minutes as presented. J. Schroeder seconded and all members present voted to approve. The vote passed 6-0 as the Federal Reserve Board did not have a voting member present.

- **Notice of Proposed Rulemaking on Temporary Waiver**

T. Segerson thanked ASC staff and agency staff for their work on the Notice of Proposed Rulemaking (NPRM). A. Ritter also thanked agency staff for their input. She noted that since the Temporary Waiver Rule was created in 1992, there have only been two instances of relief: one in 1993 to the Commonwealth of the Northern Mariana Islands and the second in 2019 to the State of North Dakota. In applying the existing rules to current practice, it was determined that the current rules need revisions to provide clarity in the process as well as extend the timeframe for ASC deliberation. If approved today, the NPRM will be posted in the *Federal Register* in January 2022 for a 60-day comment period. ASC members were amendable to this approach. T. Segerson requested a motion to approve for publication in the *Federal Register*, the NPRM on practices and procedures governing temporary waiver proceedings for a 60-day notice and comment period, subject to any technical (non-substantive) edits by the ASC prior to publication in the *Federal Register*. J. Schroeder moved to approve. J. Rives seconded and all members present voted to approve. The vote passed 6-0 as the Federal Reserve Board did not have a voting member present.

J. Park thanked all ASC members and staff for their work the past year. T. Segerson added that 2021 has been a challenging year and thanked ASC members, agency staff and ASC staff for their work.

The Open Session adjourned at 11:35 a.m. The next regularly scheduled ASC Meeting is scheduled for March 9, 2022.

Attachment: Observer list

Meeting:	Appraisal Subcommittee Meeting	Meeting Date:	December 8, 2021
Time:	11:00 AM ET	Location:	Zoom Meeting

Observers	
Name	Affiliation
Justin Kane	American Society of Appraisers
David Bunton	Appraisal Foundation
Brian Rodgers	Appraisal Institute
Michelle Bradley	Appraisal Standards Board Chair
Craig Morley	Appraisal Standards Board Member
David Byerman	CLEAR, Inc.
Daniel Berkland	Conference of State Bank Supervisors
Deana Krumhansl	Consumer Financial Protection Bureau
Orlando Orellano	Consumer Financial Protection Bureau
Barbara Leslie	Department of Housing and Urban Development
Richard Foley	Federal Deposit Insurance Corporation
Patrick Mancoske	Federal Deposit Insurance Corporation
Mark Mellon	Federal Deposit Insurance Corporation
Lauren Whitaker	Federal Deposit Insurance Corporation
Sara Todd	Federal Housing Finance Agency
David Imhoff	Federal Reserve Board
Devyn Jeffereis	Federal Reserve Board
Peter Gallo	HomeSight Appraisal

Rachel Ackmann	National Credit Union Administration
Gira Bose	National Credit Union Administration
Denise Daly	North Carolina Association of Realtors
Will Binkley	Office of the Comptroller of the Currency
Stacey Fluellen	Office of the Comptroller of the Currency
Mark Schiffman	Real Estate Valuation Advocacy Association
Craig Steinley	Steinley Real Estate Appraisals and Consulting
William King	ValueOne Appraisal
Ernest Durbin	Voxtur Valuation
Louis Pitoni	Woodland Appraisal Group
Susan Martins-Phipps	
Mike Warren	

NEWSLETTER



Dear Tyler,

I am pleased to report that on Wednesday March 30th, the Appraisal Institute was reinstated as a Sponsor of The Appraisal Foundation.

This renewed partnership is the result of growing collaboration in recent years between our two organizations.

“I am pleased the Appraisal Institute is rejoining The Appraisal Foundation as a Sponsor,” said The Appraisal Foundation Board of Trustees Chair Randall Kopfer. “Our organizations share a commitment to protecting the public trust in the appraisal profession, and I look forward to our renewed partnership. The Appraisal Foundation’s work would not be possible without our Sponsors. I thank all of them for their continued guidance and support of the Foundation.”

“The Appraisal Institute is very pleased to rejoin TAF as a Sponsor during this exciting and challenging time for the valuation profession,” said Appraisal Institute President Jody Bishop, MAI, SRA, AI-GRS. “Returning as a Sponsor allows our organization to immediately strengthen its ongoing collaboration with TAF in recent years and to amplify our joint efforts with other key stakeholders now and for years to come.”

The reinstatement of the Appraisal Institute brings The Appraisal Foundation’s Sponsors to fourteen. These Sponsors provide professional input to the Foundation’s Board of Trustees and the two technical boards charged with maintaining the standards and qualifications of the appraisal profession.

Our work would not be possible without the continued collaboration and support of our Sponsors, and, as always, I extend my heartfelt thanks for their commitment to the appraisal profession. The entire Foundation team is pleased to welcome the Appraisal Institute back as a Sponsor, and we look forward to many years of partnership.

In This Newsletter

**From the President's Desk:
Welcoming back the
Appraisal Institute**

**House Financial Services
Committee Testimony**

Updates from the AQB

Updates from the ASB

Appraiser Talk

Upcoming Events

April 28-30: [Board of Trustees
Public Meeting](#)

May 19: [AQB Public Meeting](#)

Contact Us

T 202-347-7722

info@appraisalfoundation.org

www.appraisalfoundation.org

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Sincerely,

Dave Bunton
President

House Financial Services Committee Testimony

The Appraisal Foundation President Dave Bunton testified before the House Financial Services Committee on Tuesday March 29th regarding the Biden Administration's *Action Plan to Advance Property Appraisal and Valuation Equity*.

Click [here](#) to watch the full hearing.

Click [here](#) to read Dave's testimony.

Updates from the AQB

The AQB has released new Instructor Certification Course (ICC) policies. Students can now take ICC any time the course is offered, and there is no longer a limitation on the number of times the course can be taken in a ten-year period. Click [here](#) to read the full policies.

The AQB has also released new Practical Applications of Real Estate Appraisal (PAREA) matrices for potential PAREA providers. Click [here](#) to access these new matrices.

Updates from the ASB

The ASB is continuing its comprehensive review of the Ethics Rule. Last month, the board met with federal regulators to discuss their concerns and proposed changes. The Board will continue to provide updates on this review as they are available.

The Foundation has also retained the fair housing firm Relman Colfax to review proposed changes to all standards and qualifications moving forward.

Appraiser Talk

The Appraisal Foundation's podcast Appraiser Talk releases it's newest episode every Monday.

You can check out a full list of published podcasts and listen to each episode [here](#). Click [here](#) to sign up to receive a notification each time a new episode is published.

You can subscribe to Appraiser Talk on Spotify, Apple Podcasts or wherever you get your podcasts. If you have a question you'd like to hear answered on the show, email it to Amy Timmerman at amy@appraisalfoundation.org.

Click [here](#) to get a shareable link of this month's newsletter to share on social media.

Media Contact:
Amy Timmerman
(202) 624-3048
amy@appraisalfoundation.org

The Appraisal Foundation Statement on Biden Administration's PAVE Plan

(Washington, DC) March 23, 2022 – The Appraisal Foundation today released the following statement on the release of the Biden Administration's Interagency Task Force on Property Appraisal and Valuation Equity action plan:

“As part of our commitment to protecting the public trust, The Appraisal Foundation has undertaken a wide range of initiatives to ensure that there is no place for bias and discrimination in the appraisal profession. We welcome the Biden Administration's PAVE action plan as a new component of this critical, ongoing conversation. Our boards look forward to reviewing the recommendations more fully in the coming weeks.”

The Appraisal Foundation's efforts to promote diversity, equity and inclusion in the appraisal profession and prevent bias and discrimination include:

- A comprehensive review of the Ethics Rule in the Uniform Standards of Professional Appraisal Practice (USPAP) to ensure it is clear that bias and discrimination are prohibited.
- Retaining the prominent fair housing firm Relman Colfax to review current standards, qualifications and courses as well as any future proposed changes to the standards and qualifications through a fair housing lens.
- Including bias as it relates to USPAP as a central component of required continuing education for all appraisers.
- Providing public notice, exposure drafts and opportunities for public participation for work product of the Appraisal Standards Board and Appraiser Qualifications Board.
- Publishing final Standards and *Qualification Criteria* at least 30 days prior to the effective date.
- Developing an alternative pathway for an appraiser to gain experience hours without a supervisory appraiser. The first modules adhering to this pathway, called the Practical Application of Real Estate Appraisal (PAREA), are expected to be available in the first half of this year.
- Monitoring the demographics of the profession and making that data publicly available.
- Reducing barriers to entry to the appraisal profession by creating a pathway from a licensed credential to certified residential credential without a college degree.

- Supporting the public release of appraisal data sets and the development of a centralized database for all complaints alleging bias or discrimination in the appraisal process.

BACKGROUND: The Appraisal Foundation is congressionally-authorized to set standards and qualifications for real estate appraisers. It is governed by a Board of Trustees which oversees two additional boards, the Appraisal Standards Board and the Appraiser Qualifications Board, responsible for writing the standards and qualifications respectively.

—End—