

# **White Paper**

**February 27, 2024**

## ***How to Reduce Appraisal Bias***

**With help from FNMA and FHLMC**

(The Suggested Solution is on the next page)

**By Craig Gilbert**

### **Intended Users**

- **Federal National Mortgage Association (Fannie Mae)**
- **Federal Home Loan Mortgage Corporation (Freddie Mac)**
- **Federal Housing Finance Agency (FHFA)**
- **Federal Financial Institution Examination Council (FFIEC)**
- **Appraisal Subcommittee (ASC)**
- **Office of Comptroller of the Currency (OCC)**
- **Federal Deposit Insurance Corporation (FDIC)**
- **Board Governors of Federal Reserve System (FRB)**
- **National Credit Union Administration (NCUA)**
- **Consumer Financial Protection Bureau (CFPB)**
- **Dept. of Housing and Urban Development (HUD)**
- **U.S. Department of Veterans Affairs (VA)**
- **Council To Advance Residential Equity (CARE)**
- **Appraisal Software Vendors**
- **Licensed and Certified Residential Mortgage Appraisers**

## ***How can FNMA and FHLMC help to Reduce Appraisal Bias?***

### **The Solution**

The “*Time Adjustment*” field for *Comparable Sales* in the Residential Appraisal Report Forms must be changed immediately from an *optional* field to a ***Required UAD field*** that allows a “**Money Field**” only.

### Notes

\$0 is a “Money Field” and is an appropriate adjustment if competing prices are ‘stable’, when the market is in *equilibrium*, with no measurable oversupply, undersupply, or price change.

This simple solution will help to reduce bias.

Appraisal forms vendors should be able to complete the coding of this UAD field under 30 days, once told to do so.

It is unknown why the Time Adjustment field was not a Required UAD money field when UAD was implemented in 2010, and, over the past 14 years.

The Federal Housing Finance Agency (FHFA) is a U.S. regulatory agency created in 2008 that is responsible for supervision, regulation and housing oversight of Fannie Mae, Freddie Mac, and the Federal Home Loan Bank system. FHFA has overseen the conservatorship of FNMA & FHLMC since 2008. The three Strategic Goals of FHFA are: 1. Secure regulated entities' safety and soundness; 2. Foster housing finance markets that promote equitable access to affordable and sustainable housing; and 3. Responsibly steward FHFA's infrastructure.<sup>1</sup>

On January 8, 2024, FHFA published "***Underutilization of Appraisal Time Adjustments***"<sup>2</sup>, which reported the following conclusion: "***Appraisers underutilize time adjustments for local house price growth, even though they can have an important effect on valuations***".

#### Noteworthy Citations from the January 8, 2024, FHFA Report

*"In principle, appraisers can consider price changes that have occurred since the time the comparables sold and make adjustments known as market conditions adjustments or time adjustments."*

*"Fannie Mae, Freddie Mac and Federal Housing Administration appraisal guidelines require such adjustments whenever market conditions have been changing."*

*"This analysis also finds that appraisers frequently do not make time adjustments, even when they are likely to impact the appraised value substantially."*

*"During much of the analysis period, appraisers time adjusted fewer than 10 percent of the comparable sales".*

*"Because comparable sales in this analysis are typically six months old at the time of the appraisal, expected time adjustments would range from approximately 2.5 to 9 percent of the sales price, on average". "Even during the rapid price increases of 2021, time adjustment frequency rose only to about 25%".*

*"However, making no time adjustment amounts to an assumed adjustment of zero, which is unlikely to be accurate."*

*"This result implies that appraisers should have time adjusted for 64 percent of the comparables, far greater than the 13 percent they actually adjusted."*

*"One potential reason for underutilization is that these adjustments are some of the more analytically complex calculations appraisers might perform".*

---

At the 4<sup>th</sup> and final Appraisal Subcommittee's *Appraisal Bias* hearing on February 13, 2024, panelist Jillian White, CEO of Appraisal Insights, stated "*we have data from the FHFA blog post that race has an input on the application and size of time adjustments that are applied to appraisals*" and "*the public trust has been eroded and continues to be eroded.*" At the same hearing, panelist Maureen Sweeney, an Independent Appraiser, author and USPAP instructor, stated "*there are very specific ways to develop a time adjustment.*"<sup>3</sup>

---

<sup>1</sup> Federal Housing Finance Agency, 'About FHFA', 'About Us', 'FHFA At-A-Glance', 'Our Strategic Goals', [www.FHFA.gov](http://www.FHFA.gov), Feb. 2024

<sup>2</sup> Scot Susin, Senior Economist, "Underutilization of Time Adjustments", Federal Housing Finance Agency, January 8, 2024 [Blog | Federal Housing Finance Agency Underutilization of Appraisal Time Adjustments \(fhfa.gov\)](https://www.fhfa.gov/blog/underutilization-of-appraisal-time-adjustments)

<sup>3</sup> Appraisal Subcommittee Hearing, "Public Hearing on Appraisal Bias", ASC, February 13, 2024

On January 16, 2024, FHFA published “**Underappraisal Disparities and Time Adjustments**”<sup>4</sup>, with the following conclusions reported: “**Several studies document racial and ethnic disparities in underappraisal. Racial disparities in appraisers’ use of time adjustments for local price growth are one important factor driving these results**”.

Noteworthy Citations from the January 16, 2024, FHFA Report

*“Time adjustments closely relate to underappraisals.”*

*” Recently, concerns have arisen over possible inaccuracies and inequities in mortgage appraisals, with striking press reports of low appraised values for Black homeowners replaced with much higher ones after a re-appraisal conducted with a white stand-in”.*

*“Rapid house price growth typically leads to more underappraisal, according to appraisal experts, economic theorists, and statistical studies.”*

*“Is the racial disparity in underappraisal, or some portion of it, due to racial disparities in the practice of time adjustment?”*

*“While Fannie Mae, Freddie Mac, and Federal Housing Administration appraisal guidelines require time adjustments whenever the market conditions have been changing, they seem to be frequently omitted when properties can still appraise above the contract price in their absence.”*

*“This pattern suggests that appraisers consider time adjustments only as one of their final steps after substantially completing an appraisal.” \*\**

***“Time adjustments are least common for homes in majority-Black tracts at only 13.4%, as opposed to 18.4% in majority-white tracts.”***

*“In white tracts, 52 percent of appraisals initially below the contract price rise above the contract price through time adjustment. However, this happens on 30 percent of the time in Black tracts, a disparity of 22 percentage points.”*

*“As marginal buyers teeter between approval and denial, additional help can be decisive.”*

***“For these borrowers, time adjustments could make the difference between an appraisal that allows a home purchase to move forward and one that does not.”***

**\*\*Note:** The correct order of adjustments is: #1 - Property Type; #2 - Transactional, #3 - Market Conditions [Time], #4 - Location, and #5 - Physical elements of comparison. Transactional adjustments could be a seller credit to the buyer, a mortgage rate buydown, and other seller concessions. *Time adjustment* should not be the last adjustment made.

---

<sup>4</sup> Scot Susin, Senior Economist, “Underappraisal Disparities and Time Adjustments”, Federal Housing Finance Agency, January 16, 2024, [Blog | Federal Housing Finance Agency Underappraisal Disparities and Time Adjustments \(fhfa.gov\)](https://www.fhfa.gov/blog/underappraisal-disparities-and-time-adjustments)

The Federal Financial Institutions Examination Council (FFIEC) is an interagency body of the U.S. Government established in 1979. The FFIEC is empowered to prescribe uniform principles, standards, and report forms to promote uniformity in the supervision of financial institutions.<sup>5</sup>

On February 12, 2024, the following Press Release was published: ***“FFIEC Issues Statement on Examination Principles Related to Valuation Discrimination and Bias in Residential Lending”***<sup>6</sup>

***“The Federal Financial Institutions Examination Council today issued a statement of principles related to valuation discrimination and bias for member entities to consider in their consumer compliance and safety and soundness examinations.”***

#### Notable Citations from the 2/12/24 FFIEC Statement

*“Valuation discrimination or bias can cause consumer harm, lead to violations of law, and have a detrimental impact on communities.”*

*“In addition, valuation discrimination or bias could result in deficient and unreliable collateral valuations that undermine an institution’s credit decisions and negatively impact its safety and soundness.”*

*“Therefore, examination processes should include consideration of whether institutions’ risk management practices for valuations are appropriate to identify and address valuation discrimination or bias and promote credible valuations.”*

*“Deficiencies in real estate valuations, including those due to valuation discrimination or bias, can lead increased safety and soundness risks, as well as consumer harm and have an adverse impact on borrowers and their communities.”*

*Examples of such harm are consumers being denied access to credit for which they may be otherwise qualified, offered credit at less favorable terms, or steered to a narrower class of loan products.”*

*“For an institution, the failure of internal controls to identify, monitor, and control valuation discrimination or bias could negatively affect credit decisions, potentially exposing an institution to legal and compliance risks or affecting an institution’s financial condition and operations.”*

*“In assessing compliance management systems, examination processes should consider whether the institution’s risk management practices for residential real estate valuations are appropriate to identify and address valuation discrimination.”*

---

<sup>5</sup> Federal Financial Institutions Examination Council,

<sup>6</sup> FFIEC Press Release, Statement on Examination Principles Related to Valuation Discrimination and Bias in Residential lending, February 12, 2024: <https://www.ffiec.gov/press/pr021224.htm>  
[https://www.ffiec.gov/press/PDF/FFIEC\\_Statement\\_on\\_Exam\\_Principles\\_Related\\_to\\_Valuation\\_Bias.pdf](https://www.ffiec.gov/press/PDF/FFIEC_Statement_on_Exam_Principles_Related_to_Valuation_Bias.pdf)

## What is a Time Adjustment?

The term “Time Adjustment” is used interchangeably with ‘Market Conditions Adjustment’, which is the proper terminology.

“Market Conditions” is defined as “*An element of comparison in the sales comparison approach; comparable properties can be adjusted for differences in the points in the real estate cycle at which the transactions occur. Sometimes called a ‘time adjustment’ because the differences in dates of sale are often compared, although that usage can be misleading because property values do not change merely as the result of the passage of time.*”<sup>7</sup> ‘Time Adjustment’ and ‘Market Conditions Adjustment’ are synonymous in this paper.

Property values do not change simply due to the passage of time, but because of multiple economic market forces such as, but not limited to, housing supply, buyer demand, mortgage interest rates, employment and unemployment trends, local to national economic conditions, the mood of the market and so on.

The 3 stages of market cycles include a period of undersupply, a period of oversupply and a period of equilibrium. Housing prices typically *increase* during a period of undersupply, *decline* during a period of oversupply, and remain relatively unchanged or *stable* during a period of equilibrium.

Some of the common terms used for analyzing data and measuring price change over time include *Price indexing, Market Price Indexing, House Price Indexing* and *Time Series Analysis*. There may be others.

Analyzing market conditions, including the market cycle and price trend, is a necessary step for appraisers to develop credible and accurate value opinions. Market analysis is required; it is not optional.

The top of page 1 of the GSE URAR Residential Appraisal Form contains the following statement:

*“The purpose of this appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.”*

## FNMA and FHLMC Market Conditions Addendum (Form 1004MC)

This market conditions form was released by the GSEs in November of 2008. The 1004MC was created by the GSEs in response to the subprime mortgage crisis of 2007. The purpose of the form was to provide a standardized mechanism for appraisers to analyze and report market conditions. This enabled lenders to make prudent lending decisions in appreciating, stable, or declining markets.<sup>8</sup>

*“From the start many appraisers said they found its use inappropriate for many market situations and conditions. Members of the AI Government Relations Committee expressed this opinion to Fannie Mae during recent discussions on ways that the GSEs could improve its policies and procedures.”<sup>9</sup>*

Effective August 7, 2018, Fannie Mae no longer requires Form 1004MC to be included with an appraisal report.

---

<sup>7</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7<sup>th</sup> Ed., Chicago IL

<sup>8</sup> Fannie Mae, Selling Guide Announcement SEL-2018-06, August 7, 2018

<sup>9</sup> “Fannie drops form 1004MC”, October Research-Appraiser News, Regulatory and Industry Outlook, August 29, 2018

According to FNMA, “*Collateral Underwriter®(CU™)* now provides robust market trend information for lenders and Fannie Mae, enabling measurement and management of market risks in a more rigorous way. Appraisers remain responsible for analyzing market conditions and accurately reporting them in the neighborhood section of our appraisal form.”<sup>10</sup>

### **How can Bias be Harmful?**

Bias can lead to inaccurate or incorrect results and misinterpretations of data. Bias in data analysis can perpetuate existing biases and inequalities, leading to inaccurate, skewed or biased depiction of reality, together with unfair decisions.

It can result in a loss of confidence by intended users in the appraiser’s analysis.

### **GSE “Uniform Appraisal Dataset” (UAD)**

UAD defines all fields in an appraisal report required for appraisal submission for specific residential appraisal forms, such as the URAR and Condo Forms. With UAD standardization, appraisal reports are machine readable, and can be both ‘reviewed’ and stored electronically in a database server.

UAD standardizes definitions and responses for a key subset of appraisal report fields. There are field-specific Standardization Requirements.

Appraisal software vendors fully integrated the UAD Technical Specifications within their products to help facilitate this process for appraisers, rather than appraisers having to memorize every UAD code, sequence, and order.

Required format for a particular UAD field are supported by one of following six methods: Boolean, Date/Time, Enumerated, Money, Numeric and String. Some fields are required, some are conditionally required, and, some are ‘optional’, including the Time Adjustment field, which can be left blank.

Certain data fields must comply precisely with UAD requirements & format for the appraisal to be transmitted electronically as an Extensible Markup Language (XML) file.

Date of Sale/Time is a required field for every comparable sale and must be entered in a very precise format. However, the current version of UAD architecture does not require that an adjustment be made in the Comparable Sales *+(-) \$Adjustment* field. Analysis (a *\$ Adjustment*) is not required in this field.

The *+(-) \$Adjustment* field for Date of Sale/Time is quite often left blank by appraisers, even in markets with measurable price appreciation and depreciation, as this is an “optional” field to the appraiser. There is no required data entry in this field. A blank field, however, is not the same as a \$0 adjustment.

UAD specifications were released by GSEs originally on December 16, 2010. There have been multiple updates according to FNMA since 2010. Stakeholder input was gathered from 2018-2023 for UMPD (Uniform Mortgage Data Program). Specs and supporting docs were reportedly published by GSEs.

---

<sup>10</sup> Fannie Mae, Selling Guide Announcement SEL-2018-06, August 7, 2018

GSEs timetable indicates UAD v3.6 will be developed from Q2/2023 to Q1/2025. Testing of UAD v3.6 will be done from Q4/2024 to Q4/2025.

<https://singlefamily.fanniemae.com/media/21336/display> <https://singlefamily.fanniemae.com/media/25391/display>

**Illustration of a UAD Appraisal Form Comp Sale Analysis, both with, and without, Time Adjustments**

If prices for competing housing have been increasing at a rate of +6.0% per year, and the “Time Adjustment” fields are left blank by the appraiser, the indicated values would be substantially understated (by \$21,000 to \$30,000 in this example). A blank field is presently treated as a \$0, but, is not really a \$0.

**#1: Without Market Conditions (Time) Adjustments**

The Time Adjustment field can be left Blank since it’s ‘optional’ in current UAD architecture.

FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address							
Proximity to Subject							
Sale Price	\$	\$	500,000	\$	520,000	\$	525,000
SalePrice/GrossLiv.Area	\$ sq. ft.	\$ sq. ft.		\$ sq. ft.		\$ sq. ft.	
Data Source(s)							
Verification Source(s)							
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing							
Concessions							
Date of Sale/Time	(2/17/24)	s02/23;c01/23	OPTIONAL	s05/23;c04/23	OPTIONAL	s06/23;c05/23	OPTIONAL
Location							

**#2: The same property with Market Conditions (Time) Adjustments**

Assuming that prices were increasing at a rate of +6% per year (+0.5%/month), *positive* Time Adjustments of +\$30,000, +\$23,500 and +21,000 would be made for the 3 comparable sales, as follows:

FEATURE	SUBJECT	COMPARABLE SALE # 1		COMPARABLE SALE # 2		COMPARABLE SALE # 3	
Address							
Proximity to Subject							
Sale Price	\$	\$	500,000	\$	520,000	\$	525,000
SalePrice/GrossLiv.Area	\$ sq. ft.	\$ sq. ft.		\$ sq. ft.		\$ sq. ft.	
Data Source(s)							
Verification Source(s)							
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing							
Concessions							
Date of Sale/Time	(2/17/24)	s02/23;c01/23	+30,000	s05/23;c04/23	+23,500	s06/23;c05/23	+21,000
Location							

**Footnotes**

In addition to making a “Time” adjustment based on a percent change over time, this can also be computed and adjusted using (+/-) \$Dollars per Day instead of a percent change. A Regression Analysis of price change over time results in ‘Dollars per Day’ market change, not a percent change. Failure to adjust for market conditions can result in a biased appraisal which could be too low, or too high, from failure to properly measure and analyze the market conditions, including the omission of market supported Time adjustments.

A biased appraisal with significantly flawed analysis and results might be considered a *misleading* appraisal. If the appraisal is misleading, then there would be one or more USPAP violations.



## Price Indexing

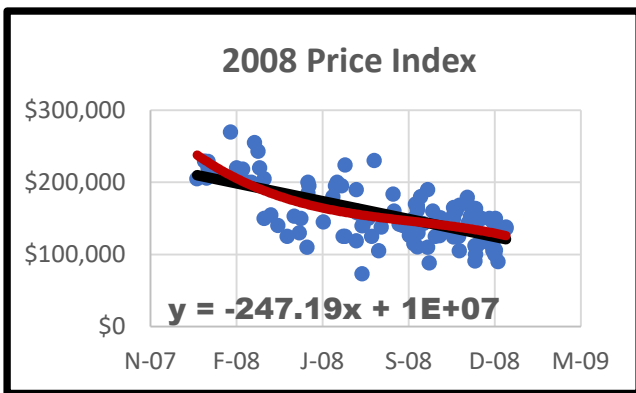
MLS is typically the best source for data. Public records and other resources can also be used. MLS data can be exported to Excel, Gnumeric, R (R-Studio) or to proprietary appraisal analytics software. Appraisal analytics software includes Synapse by Spark, Data Master, Redstone by Bradford Technologies, Gandysoft, Titan Analytics, Appraisal Genie, Soloman Adjustment Calculator, and others. Paired-sales analysis can also be used.

### The Following 4 Price Indexing Graphs were created using MLS data, Excel and Regression Analysis

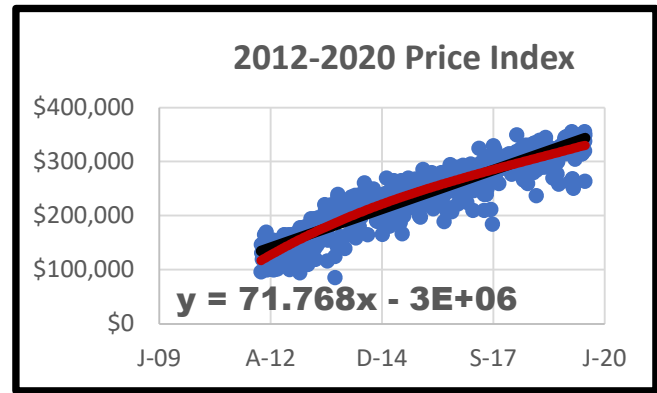
A hypothetical subject being appraised is a one-story Detached Residence in Moreno Valley CA with 1,450 sf living area, 3 bedrooms + den, 2 baths, 2 car garage, no pool, built in 1980, with a 7,000 sf lot. Competing sale data are used to analyze market conditions for time adjustments. It is important to use 'competing properties' that are most like the subject, with minimal variability, except the date of sale.

Search Criteria for Price Indexing: 'Riverside County CA, Moreno Valley, Living Area 1,300-1,600 sf; 3-4 Bedrooms; 2 Baths; Year Built 1975-1985; one-story; lot size 6,000 - 8,000 sf, 2 car garage, no pool; 'Sold'

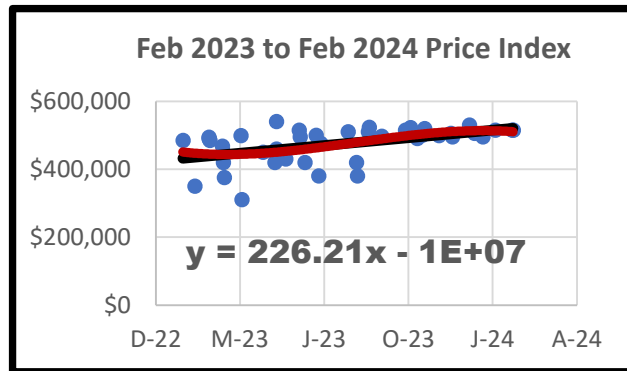
In 2008, prices were declining at an average rate of **(-) \$247 per day** ("Decreasing")



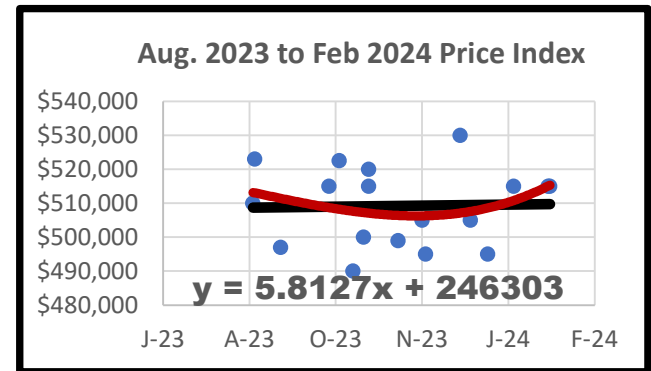
From 2012 through 2020, prices were increasing at an average rate of **(+) \$72 per day** ("Increasing")



For the past 12 months, prices were increasing at an average rate of **+ \$226 per day** ("Increasing")



For the past 6 months, prices were increasing at an average rate of only **(+) \$6 per day** ("Stable")



Note: The Black line is *Linear* Regression Analysis and Red line is a *third-order* Polynomial.

Making Time adjustments is an integral part of the appraisal process.

Making Time Adjustments has been taught in appraisal courses, seminars, and webinars for many decades.

This is taught from entry level appraisal courses to advanced level appraisal courses in the *Sales Comparison Approach*.

There are multiple resources available to appraisers to use in analyzing market data to develop Time adjustments.

It is not necessary to attend a course or a seminar in person as there are both online and live Zoom resources readily available for appraisers.

Resources are readily available for Appraisers to Develop Market Conditions Analysis and Time Adjustments

**George Dell MAI, SRA, CRE** ([www.Valuetrics.info](http://www.Valumetrics.info)) offers a free, 2-hour YouTube webinar<sup>11</sup> that shows the details and methodology to export MLS data in order to develop Price Indexing with Regression Analysis, using either Excel or Gnumeric software. Additionally, George Dell teaches R (R-Studio) in Stats, Graphs & Data Science courses, where appraisers learn how to completely automate this process. The R-Studio software app is Free.

**Richard Hagar SRA** ( [www.RichardHagar.com](http://www.RichardHagar.com)) Free Webinar through OREP  
[Free Webinar: Easy Ways to Use Excel to Support Your Adjustments - OREP Education Network](#)[OREP Education Network](#)

**Joseph Lynch** ([www.reaa.org](http://www.reaa.org)) [www.reaa.org](http://www.reaa.org) [Joemlynch2112@gmail.com](mailto:Joemlynch2112@gmail.com) Webinars

**Appraisal Institute** (<https://www.appraisalinstitute.org/education/search/application-interpretation-of-simple-linear-regression>)

**McKissock Learning:** <https://www.mckissock.com/blog/appraisal/how-to-build-a-regression-model-in-8-simple-steps/>

**Appraiser eLearning** (<https://appraiserelearning.com/training-webinars/> )

(and a number of others)

---

<sup>11</sup> George Dell, Valuetrics, <https://www.youtube.com/watch?v=e5WLeJ2Bfyo>

# This suggested solution will Reduce Appraisal Bias

The “*Time Adjustment*” field for *Comparable Sales* in the Residential Appraisal Report Forms must be changed immediately from an *optional* field to a ***Required UAD field*** that allows a “**Money Field**” only.

## Footnotes:

- a. It is not necessary to wait for UAD v3.6 (2026) to make this change. This is needed now.
- b. A software forms developer with an Appraisal Forms Vendor told me last week that it would be quite easy for them to add a “*Required UAD Field*” for the “*Date of Sale/Time*” analysis field.
- c. If the Time Adjustment field remains optional instead of mandatory, the appraisal bias stated in the 2 FHFA reports, 1 FFIEC report, and, at the 4<sup>th</sup> ASC Appraisal Bias Hearing, will continue.
- d. If “*UAD required*” fields are left blank in an appraisal report, a “*Critical Error*” message will pop up, with the omitted field “*highlighted*”, and the appraisal report cannot be transmitted with XML to an AMC, lender or GSE. This methodology for UAD required fields has been used since the 2010 implementation of UAD, with the necessary coding done by appraisal forms vendors for compliance with GSEs.
- e. The Date of Sale/Time adjustment field should never be blank/omitted during periods of rising or falling prices, assuming that that the price change can be confidently measured with regression analysis, or another method, such as paired-sales analysis. Making no adjustment in a changing market could result in the appraised value being too low in a rising market and too high in a declining market.
- f. When developing an AVM<sup>12</sup> in 1999, my first goal was to develop an accurate *Time Series Analysis* (“Time Adjustments”). I had learned during my prior 24-year appraisal career that doing this would provide a good foundation to develop reliable & accurate results. Personal computers today do time series analysis very well, with Excel, Gnumeric, R (R-Studio) and proprietary software. Automated data exports, from MLS to .csv or .xlsx file for regression analysis, is seamless. Additional software purchase by an appraiser is not necessary for time indexing.
- g. Hopefully, the GSEs will adopt the suggested solution as soon as possible, without the need for encouragement or prodding from FHFA, ASC or other agencies or organizations to do so.

---

<sup>12</sup> Veros Real Estate Solutions, [www.Veros.Com](http://www.Veros.Com)

- h. There is no downside to implementing this solution quickly.
- i. Adopting this solution will provide positive results for all stakeholders, and for the public, including a reduction of the bias stated by FHFA and FFIEC and in Jillian White’s testimony at the fourth ASC public hearing on bias.<sup>13</sup>
- j. According to Dr. Andre Perry of the Brookings Institution<sup>14</sup>

***“The devaluation we found based on 2017 data provides evidence that discrimination is baked into current policy”.***

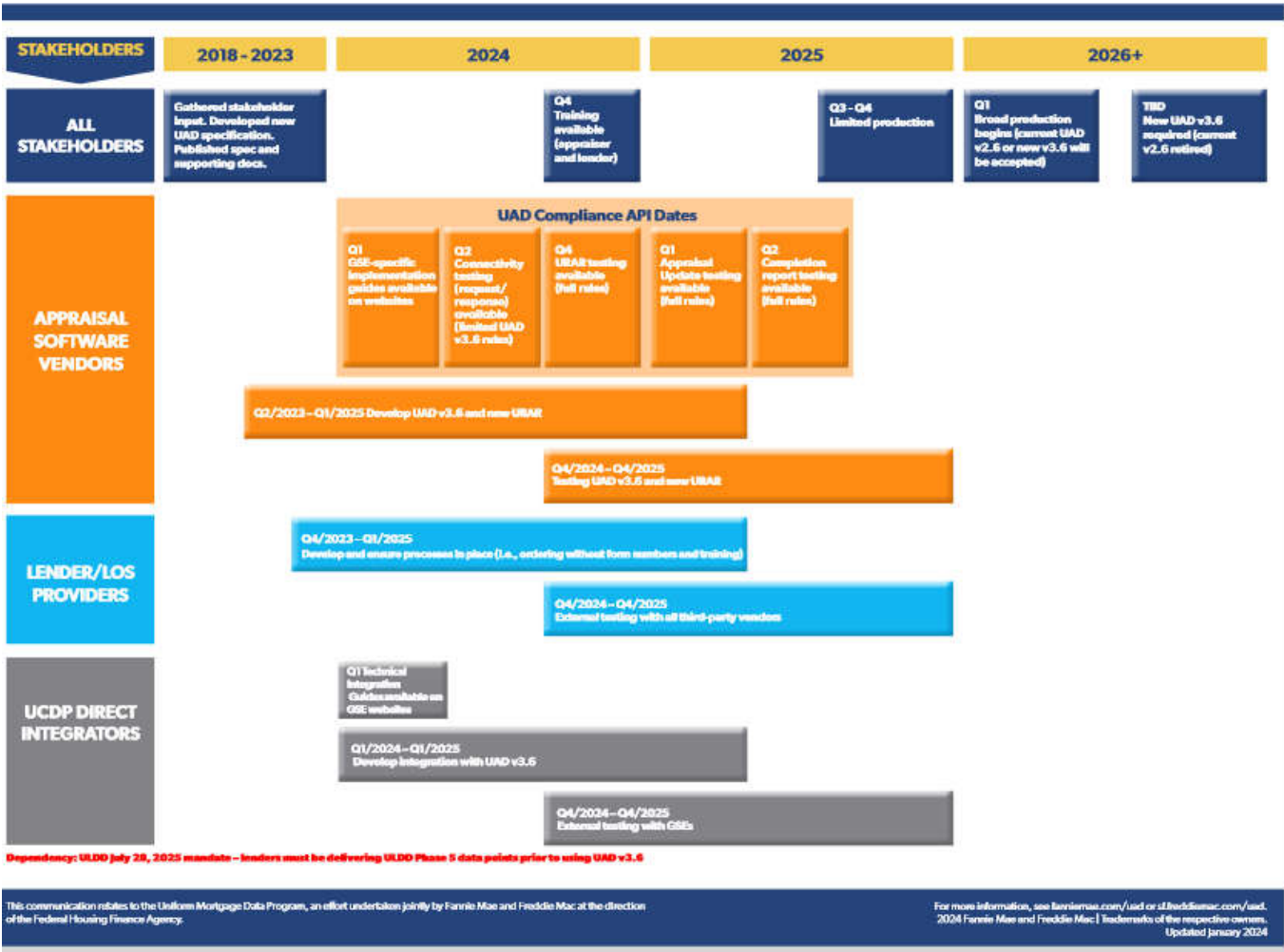
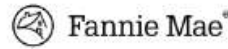
- k. Continuation of the status quo, with the option to leave the *Date of Sale/Time* analysis field ‘blank’ has the appearance of a *baked in policy*, as described by Dr. Perry. Now is the right time for a change to eliminate at least one very important element of a *baked in policy*.

---

<sup>13</sup> Appraisal Subcommittee Hearing, “Public Hearing on Appraisal Bias”, ASC, February 13, 2024

<sup>14</sup> Dr. Andre M. Perry, “*Know Your Price*”, Washington D.C., The Brookings Institution, 2020, Page 66

# GSE UNIFORM MORTGAGE DATA PROGRAM TIMETABLE



## URL link to the GSE UMPD Timetable

<https://singlefamily.fanniemae.com/media/25391/display>

- There is no need to wait until 2026 for UAD v3.6 to implement my suggested solution which will reduce appraisal bias.
- Sooner is better than later.
- Appraisal software vendors are quite capable of doing this quickly.

## **CRAIG GILBERT, ASA, SRA, CRP – BIO**

Mr. Gilbert began his appraisal career in 1975 while a University Senior. He has over 49 years of valuation experience in residential and non-residential properties, and for various ownership interests, including partial/fractional interests in real property & real estate holding entities. He is a qualified Expert Witness and Consultant for litigated matters involving real property. Typical defendants include appraisers, attorneys, sellers, neighbors, R.E. agents, HOAs, Title Co's.

### Mr. Gilbert's education, experience and accomplishments include:

- Certified General Appraiser in California since 1992 and Licensed R.E. Broker since 1986
- B.A. degree - Business Administration – *Real Estate Finance* – CSUF (1976)
- SRA designation (1980)
- CRP designation – Worldwide Employee Relocation Council (WERC) (1992)
- Chief Appraiser - Keystone Savings & Household Bank - 1975-1982
- Recruited by *The Federal Home Loan Bank Board* in 1982 to start-up an appraisal division, and be named Chief Appraiser, for a non-compliant Financial Institution, San Marino Savings.
  - This Institution/BOD were reported to the FBI & FHLBB for Mortgage Fraud in 1983, and he resigned.
- Independent Appraiser: 1983 to the present
- President of the OC Chapter of the Society of R.E. Appraisers (before merger to form A.I.) from 1984 to 1985
- Co-Founded *Relocation Appraisers & Consultants* (RAC) in 1990
- Co-developed Veros AVM Software including fraud algorithms, beginning in 1999.
- Instructor for multiple real property valuation seminars & courses on behalf of the Appraisal Institute, Society of Real Estate Appraisers, RAC, WERC, Community Colleges, Valuemetrics and for the State of California's Dept of Financial Institutions (*How to Recognize Fraud in Appraisals and R.E. Transactions*).
- Published author of multiple articles with international distribution
- Extensive experience in *Litigation Support* as a valuation Consultant, Subject Matter Expert and Expert Witness in many State and Federal Cases, including Civil, Criminal, Probate, Bankruptcy, Title Defect claims, Easements and Family Law.
  - Testified as Expert Witness in State and Federal Courts and in Depositions on numerous types of cases in California, Nevada, and Texas, starting in 1984.
  - Testified as an Expert Witness in Mediation and Arbitration Hearings.
  - *Court Appointed 730 Expert* (the Court's neutral Expert) by the State of California Superior Court.
  - The 2 largest litigated Civil cases involved claims by FDIC (client) of \$300 million in each case over appraisal and review fraud and gross negligence by two prominent AMC's (Appraisal Management Companies) named eAppraiseIT and LSI.
- Co-developed the 2010 *Relocation Appraisal Form* on behalf of the WERC.
- Co-developed a *General-Purpose Residential Appraisal Form* on behalf of Bradford Technologies.
- Presented with the *President's Award* by the WERC in in 2011
- Presented with the *Meritorious Service Award* by the WERC in 2015
- Active member of the Orange County Realtors MLS Committee from 2015 to 2024. Also active on the Independent Broker Alliance Committee, Grievance Committee, and the Young Professional Network Committee.

**Craig Gilbert, ASA, SRA, CRP, Certified General Appraiser**

**Craig Gilbert Appraisals**

[Craig@CraigGilbert.Net](mailto:Craig@CraigGilbert.Net)

714-356-0000 mobile - call or text

[A comprehensive C.V. is available at [www.CraigGilbert.net](http://www.CraigGilbert.net) > About > Qualifications of Craig Gilbert (tab)]