

Appraisal Bias: Taking Action, Leading the Conversation

As AI membership, and likely all appraisers, are aware, the past couple of years have found us facing the issue of appraisal bias. Even the words are difficult to hear and against what appraisers stand for in our work. Yet, this challenging issue also provides an excellent opportunity to educate the public about the role of the appraiser, a chance to look at how we can take additional steps to help consumers and focus on making our profession more diverse and inclusive now and in the future. Here are some of the ways the Appraisal Institute is addressing the issues.

Collaboration

- AI is collaborating with other valuation-focused organizations such as The Appraisal Foundation, American Society of Appraisers, American Society of Farm Managers and Rural Appraisers, International Association of Assessing Officers, National Society of Real Estate Appraisers and MBREA | The Association for Valuation Professionals.
- Through collaboration, we have hosted webinars to share the value appraisers bring to real estate transactions and clarify how we fit into the broader home appraisal ecosystem.

Media

- AI's president is often interviewed, sharing salient points during lengthy Q&A. Unfortunately, only a few important points are covered and sometimes they are taken out of context.
- AI is nurturing relationships with current media contacts, establishing new connections, and telling our story as often as possible.
- AI has enjoyed coverage in many high-profile national and local media outlets, including Bloomberg, The Washington Post, NBC.com, HousingWire, National Mortgage News and National Public Radio.
- AI chapters and members are urged to send media inquiries to our national Director of Communications, Brent Roberts, broberts@appraisalinstitute.org.

Legislators and Regulators

- AI's representatives have testified before Congress.
- AI has provided input to the Biden administration's Property Appraisal and Valuation Equity Task Force (PAVE).
- AI has provided input to advance model state legislation on valuation bias and fair housing.
- AI has driven numerous discussions that focus on protecting consumers AND advocating for appraisers.
- AI is giving a consistent and balanced public message, earning us a seat at the table.
- AI's consistent message allows legislators and regulators to find our message firm in advocating for appraisers, yet open to conversations on solving complex challenges.
- Questions about the efforts in Washington and in state capitals should be directed to Bill Garber, director of government and external relations, bgarber@appraisalinstitute.org.

Appraiser Diversity Initiative

- AI has a leading role in the ADI, which is a partnership with Fannie Mae, Freddie Mac and the National Urban League.
- AI received a \$3 million commitment from Chase Bank to fund scholarships for diverse aspiring appraisers. These scholarship recipients are taking our education and buying our books.
- The ADI program is providing opportunities to aspiring appraisers and exposing new appraisers to the AI Body of Knowledge and the profession's best education.

PAREA

- The AI Board of Directors has invested in the future of appraisal experience opportunities by developing a Practical Application of Real Estate Appraisal program. AI was awarded a \$500,000 grant from TAF to supplement this investment.
- This program will attract aspiring appraisers and give AI a first touch for education and mentors that guide them to successful completion.
- To date, more than 30 states have accepted the PAREA program as an alternative to the experience requirement. This eliminates the challenge of finding a supervisor.
- AI Board of Directors committed \$2 million to seeing this program completed. This is a commitment to growing the residential appraiser population and potentially AI membership.
- Learn more about PAREA: <https://www.appraisalinstitute.org/service/faq/#572>

AI's Bias Research Solutions Project Team

- AI's Bias Research Solutions Project Team was created to review several studies that address the topic of appraisal bias.
- During the past 1 ½ years, the Project Team has carefully analyzed studies published by government sponsored enterprises, university researchers and others, and have developed initial findings.
- The Project Team hopes to publish its final report in the next couple of months.
- Once the Project Team's report is finalized, it will be shared with the national Board of Directors, as well as AI's membership.
- National leadership also will be prepared to address the studies, if asked, by the media, legislators or other interested parties.

Going Forward

- The Appraisal Institute continues to be a voice for professional appraisers and an active thought leader in education, guidance and policy.
- AI must be a part of the ongoing conversations with the media, legislators and regulators.
- AI must work with other organizations to protect the future of the profession.
- AI must encourage new, and diverse, individuals to join our organization.
- AI must stand with other organizations in defense of appraisers.
- AI must continue to acknowledge and seek opportunities for growth and change.

Appraisers are a proud, dedicated, hard-working group of professionals, and together, no challenge is too big. Is AI a great organization now? Yes! Could we be even better in the future? Absolutely!

To learn more about this program go to:
<https://www.appraisalinstitute.org/the-appraisal-profession/appraiser-diversity-initiative/>.