



Written by [Ty Bodden](#) on August 14, 2025

Appraisal “Bias” Laws Undermine Property Rights and Freedom

State legislatures in [Virginia](#), [New Jersey](#), and [other states](#) are advancing legislation requiring [anti-bias training](#) for real-estate appraisers and prohibiting consideration of personal characteristics such as race or gender in property valuations. Virginia’s [Senate Bill 995 \(SB995\)](#) and New Jersey’s [Assembly Bill 2280 \(A2280\)](#) are marketed as fair-housing reforms intended to combat discrimination. But behind the rhetoric of equity lie serious constitutional, legal, and economic concerns, including violations of property rights, expansion of bureaucratic control, and manipulation of free-market valuation principles.



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Existing Federal and State Laws

Supporters of these laws claim [appraisal bias](#) is a systemic issue contributing to the racial wealth gap. Citing [research](#) that alleges homes in majority-black neighborhoods are undervalued by up to [20 percent](#) compared to similar homes in majority-white areas, proponents demand legislative correction. Yet federal law already — and unconstitutionally — prohibits discriminatory appraisals by propping up market values. [The Fair Housing Act \(FHA\)](#) and the [Uniform Standards of Professional Appraisal Practice \(USPAP\)](#) both prohibit racial or ethnic bias in real-estate valuation. However, none of these programs is [authorized](#) under [Article I Section 8](#) of the U.S. Constitution. In 2021, the Biden administration launched the [Property Appraisal and Valuation Equity \(PAVE\)](#) Task Force to investigate “valuation bias” and push states to adopt corrective legislation, even where [no pattern of widespread discrimination](#) has been proven. The second Trump administration [effectively disbanded](#) the PAVE Task Force on July 10.

State legislators have responded with their own mandates:

- [Virginia’s SB995](#) requires at least two hours of “fair housing and appraisal bias” training as a condition for appraiser licensure, with content subject to annual review by the state’s Fair Housing Board.
- [New Jersey’s A2280](#) goes even further, prohibiting appraisers from considering any “protected characteristics,” including race, religion, or marital status, and making anti-bias training a permanent requirement for licensure.

The votes for the Virginia and New Jersey bills have been used in *The New American’s* [state Legislative Scorecards](#).



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Proposed Federal Power Grab

This push for government control is not confined to the states. In Washington, D.C., a group of Democratic senators led by [Georgia's Raphael Warnock](#) has introduced the [Appraisal Modernization Act](#), which would expand federal authority over home valuations in the name of combating racial bias. The bill would require the [Federal Housing Finance Agency](#) to create a public, property-level appraisal database and allow homeowners to appeal or obtain second opinions on valuations.

This proposal mirrors the same dangers seen in state-level mandates. It politicizes professional judgment, imposes one-size-fits-all federal standards on a complex and localized market, and opens the door for central planners to influence and eventually control valuation outcomes. Far from protecting liberty, measures such as the Appraisal Modernization Act invite greater federal surveillance of private transactions and undermine the very market dynamics that ensure accurate, demand-driven valuations. The costs far outweigh any claimed benefits.

Federal Maneuvering and Industry Trends

Even as some state legislatures push anti-bias mandates, federal policy on appraisals has see-sawed between administrations. The Biden administration's [PAVE Task Force](#) pressed for expanded appraiser training, tighter licensing standards, and a formal right for borrowers to request a "reconsideration of value" — changes embraced by much of the mortgage industry.

President Donald Trump's second administration [rolled back portions](#) of the Biden-era guidance for FHA-backed loans, arguing that it fueled DEI-driven overreach, but most major banks have kept the Biden standards in place voluntarily. These reforms risk deepening federal entanglement in private contracts, creating centralized databases of property-level data, and placing further regulatory burdens on appraisers — all under the assumption that political oversight will produce better valuations than market forces.

Real Consequences, Dubious Evidence

Proponents of anti-bias appraisal mandates often rely on high-profile anecdotes rather than conclusive, broad-based data. A [frequently cited example](#) is the case of Paul Austin and Tenisha Tate-Austin, a black and Latino couple in Marin City, California, who [sued an appraiser and two related companies](#) for allegedly undervaluing their renovated home due to race. In 2020, after extensive upgrades, their home was appraised at \$995,000 — nearly [half-a-million dollars less](#) than a prior valuation. Believing race played a role, the couple arranged for a second appraisal, "whitewashed" their home of personal and cultural identifiers, and had a white friend pose as the owner. The new valuation came in at \$1,482,500.

The couple's federal [housing-discrimination lawsuit](#) ended in a settlement that included an undisclosed payment and a requirement that the appraiser undergo training on segregation and housing discrimination in Marin County, as well as view a documentary on alleged industry bias. However, the settlement involved [no admission of liability](#), and was never adjudicated in court. Critics note that such cases — while emotionally compelling — are often based on disputed facts, may involve legitimate professional disagreements over comparable properties, and do not prove systemic bias across the industry.

Nevertheless, isolated incidents such as this are increasingly used to justify sweeping legislation. New Jersey's bill, for instance, goes far beyond existing federal mandates by prohibiting appraisers from considering any "protected characteristic" in valuation — even when such factors indirectly influence



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buyer behavior — and imposing permanent ideological training as a licensing requirement. This is despite the fact that the USPAP was updated in 2024 to prohibit [discriminatory reasoning](#) in property appraisals. While that federal standard raises its own constitutional concerns, it renders additional state mandates duplicative, unnecessary, and a pretext for political control over private contracts.

Government Overreach

While framed as “civil-rights protections,” anti-bias mandates undermine core American principles in the following ways:

- *Government overreach*: Forcing ideologically driven training on private professionals violates individual liberty and inserts political ideology into private contracts.
- *Distorted valuations*: Restricting appraisers from considering neighborhood data or demographic trends — even when relevant to buyer behavior — threatens the accuracy and objectivity of market-based valuations.
- *Chilling effect*: Appraisers may avoid politically sensitive neighborhoods or complex markets for fear of triggering regulatory scrutiny, reducing service availability and increasing costs.
- *Precedent for price control*: Today’s “anti-bias” mandates may become tomorrow’s [value floors](#), quotas, or [administrative overrides](#) — advancing [central planning](#) over market pricing.

These laws undermine the impartial judgment appraisers are hired to provide, while embedding subjective ideology into the process. Rather than ensuring fairness, such laws politicize valuation, inflate property values, and increase the risk of [real-estate bubbles](#).

Constitutional Implications

In addition to upholding “a Republican Form of Government” under [Article IV, Section 4](#) of the U.S. Constitution, states should uphold the fundamental purpose of government and protect God-given rights. They should not infringe upon individual liberty, impose compelled ideology, or manipulate private market behavior in the name of [social engineering](#), similar to what is pushed by the [United Nations](#). Appraisal-bias laws are part of a growing trend in American governance that disguises ideological conformity as civil-rights enforcement. The result is a growing fusion of government power and ideological enforcement, threatening the God-given rights that the Constitution was designed to protect.

Mandating ideological training for appraisers and restricting their use of time-tested valuation criteria seriously violates constitutionally protected rights. At the heart of these mandates is an assault on the freedom to contract, safeguarded by [Article I, Section 10](#) of the [U.S. Constitution](#), which prohibits states from passing any law “impairing the [Obligation of Contracts](#).” When government intervenes in private professional agreements and imposes conditions based on political ideology, it undermines the voluntary nature of economic exchange. Appraisal services — like all private transactions — rely on mutual agreement and professional discretion. By inserting state mandates into this relationship, lawmakers override the rights of both provider and client.

Infringing Property Rights

These policies also infringe on property rights, protected by the [Fourth](#), [Fifth](#), and [Ninth](#) Amendments. The Fourth Amendment guarantees the right of the people to be secure in their property, and politically



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motivated interference through government mandates in these valuations constitutes a [form of seizure](#), violating that constitutional safeguard. The Fifth Amendment prohibits the government from depriving any person of property without due process of law. Inflating property valuations through artificial criteria — and thereby increasing tax burdens — constitutes a form of indirect taking.

The Ninth Amendment further affirms that rights not specifically enumerated in the Constitution are nonetheless “retained by the people,” reflecting the broader natural-law foundation that government exists to protect — not create, limit, or take away — [God-given rights](#). When valuations are manipulated by regulation rather than determined by market reality, the result is a coerced financial loss for property owners with no recourse or compensation. Such manipulation undermines private-property rights and erodes economic liberty.

Furthermore, these laws violate the [First Amendment](#) protections of conscience and free association. Forcing professionals to undergo ideological “bias” training — particularly training rooted in [critical race theory](#) — compels them to affirm beliefs they may not hold. This is not merely [educational instruction](#); it is state-mandated viewpoint conformity. When licensing and employment are conditioned on the acceptance of controversial political doctrines, freedom of thought is subordinated to the prevailing ideology of the state. Professionals should not be required to submit to reeducation in order to practice their trade.

Promoting Discrimination

Finally, these mandates raise serious concerns under the [14th Amendment’s Equal Protection Clause](#). By granting protected status to certain demographic groups and imposing special constraints on how those groups are treated in valuations, the state risks creating a new form of discrimination — this time under the banner of “[equity](#).” Equal protection under the law means equal treatment, not preferential treatment based on group identity. Legislation that skews appraisals to benefit politically favored categories undermines both legal neutrality and individual justice.

Inflated Valuations and Tax Burdens

Ironically, anti-bias laws often result in [higher property tax assessments](#). Inflated appraisals can push homeowners into [higher tax](#) brackets, increasing their financial burden. State and local governments, which benefit from higher assessments, become indirect beneficiaries of these manipulated valuations. What is presented as “equity” in policy often becomes inequity in practice, a stealth [tax increase](#) cloaked in [social-justice](#) rhetoric.

Worse still, these growing tax burdens are layered atop already [oppressive taxation](#) schemes. Sales taxes, fuel taxes, income taxes, and various fees all chip away at individual liberty and economic mobility. But among the most un-American and unconstitutional forms of taxation is the [property tax](#). That system [punishes ownership](#) and turns citizens into perpetual tenants of the state. Even when a mortgage is paid off, the government continues to [extract rent](#) under threat of confiscation. This violates the fundamental American principle of property rights. True ownership cannot exist where failure to pay a recurring government charge results in forfeiture of one’s land or home. Such policies undermine the Founders’ vision of a free, property-owning citizenry, and transform government into a landlord with unlimited power.

Just as [rent control](#) and [anti-price-gouging laws](#) distort markets and reduce access, these so-called anti-bias laws distort home valuation, increasing government revenue while reducing market accuracy and professional independence. The cumulative effect is the erosion of liberty, the centralization of



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economic decision-making, and the subjugation of property rights to political agendas.

Uphold Liberty, Not Ideology

If instances of genuine bias occur, they should be handled through the free market, not through [ideological mandates](#) that compromise liberty and accuracy. Appraisers are already [handcuffed](#) by federal fair-housing laws and professional standards. States should support accountability through voluntary education, professional review boards without government involvement, and due process — not central control. States should also [nullify](#) the existing, unconstitutional federal regulations.

Efforts to inject political ideology into private markets must be firmly rejected. These legislative efforts are not about correcting bias; they are about expanding control.

Defend the Constitution and the Free Market

The New American and [The John Birch Society](#) oppose all forms of regulatory overreach that violate constitutional protections or undermine private enterprise. Americans must demand that lawmakers uphold the Constitution, not impose ideology through licensing boards and professional mandates.

To learn more about how your state and federal legislators vote on issues of constitutional importance, visit The New American's [Freedom Index](#) and state [Legislative Scorecards](#). You can also stay informed about what is happening in your state legislature and in Congress by signing up for legislative alerts [here](#).



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