THE CLIMATE SCORE SCAM:

HOW WALL STREET IS QUIETLY UNDERMINING AMERICAN HOME VALUES

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Stephanie Cross

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ABOUT THE AUTHORS

Molly Vogt

Senior Fellow, American Energy Institute

Molly Vogt is a Senior Fellow at the American Energy Institute. She is a passionate advocate for free markets, energy independence, and individual liberty, with a career spanning the Oil & Gas, Financial, and Media industries. For over five years, she used her voice on radio airwaves, breaking down political issues as right vs. wrong rather than right vs. left, working to expose the truth and promote "Liberty for All."

Today she hosts a show on OBBM Network TV called American Energy Works, where she confronts the growing disconnect between energy rhetoric and energy reality. Molly Vogt exposes ESG discrimination, defends property rights, and fights for reliable, affordable power driven by free markets, not political mandates.

A WWII history enthusiast, Molly has interviewed and preserved the personal stories of over 100 WWII veterans, ensuring that their sacrifices and experiences are never forgotten.

Driven by a mission to empower, educate, and advocate, Molly remains committed to defending freedom, promoting energy prosperity, and ensuring that American policies put people, not politics, first.

Stephanie Cross

Broker & Owner, United Country Real Estate | Tennessee Real Properties

Stephanie Cross is the Broker and Owner of United Country Real Estate | Tennessee Real Properties, where she focuses on land acquisition and sales with a passion for farms, ranches, equestrian properties, and natural resource land. She is also a licensed real estate broker in North Carolina.

As an Accredited Land Consultant (ALC), a designation held by fewer than 800 professionals nationwide, she brings a high level of expertise to complex land transactions.

Stephanie serves on the board of the Tennessee Oil and Gas Association and is actively involved in Tennessee's energy and natural resource landscape. She is a wife and mother of three who also runs a small American Quarter Horse breeding program. When she's not working, she enjoys spending time outdoors with her family and horses, soaking up God's beautiful creation.

Will Hild

Executive Director, Consumers' Research

Will Hild is the Executive Director of Consumers' Research, the nation's oldest consumer protection organization. After taking the helm in 2020, Hild shifted focus to fight against ESG and woke capitalism.

Hild led Consumers' Research as it launched the innovative Consumers First campaign, a multi-million-dollar ongoing campaign calling out woke corporations for betraying their customers and educating consumers on the dangers of ESG. Under Hild's leadership, The Washington Post described Consumers' Research as "a key player in the conservative crusade to prevent Wall Street from factoring climate change into its investment decisions." Companies targeted by the Consumers First campaign include BlackRock, Bank of America, Coca-Cola, Nike, State Farm, Ticketmaster, and more.

Hild works to educate leaders across the United States on the dangers of ESG and woke capitalism and the threat they pose to consumers. His efforts were highlighted in a profile in Bloomberg noting that he was at the "forefront of the movement" to roll back woke corporate excess. He is a frequent radio, podcast, and television guest and has been interviewed by publications across the nation including Fox News, CNBC, Wall Street Journal, Financial Times, Daily Mail, Washington Examiner, and The Daily Wire.

Hild received his J.D. from Georgetown University Law Center, but the thing he is most proud of professionally is that BlackRock CEO Larry Fink refers to him as an "extremist."

The Honorable Jason Isaac

Founder & CEO, American Energy Institute

The Honorable Jason Isaac is the Founder and CEO of the American Energy Institute, a trade organization dedicated to advancing the human condition through access to affordable and reliable energy. He is a leading national voice on energy policy, ESG activism, and the economic consequences of climate-driven mandates.

Jason has testified before Congress four times on issues ranging from ESG-driven energy discrimination, climate slush funds, and federal regulatory overreach. His research and public commentary have helped trigger multiple congressional investigations and oversight actions and contributed to the unraveling of electric vehicle mandates through the rollback of subsidies, regulatory penalties, and federal incentive schemes.

He is a frequent guest on Fox News, Fox Business, and other national news programs. His op-eds and analysis have been published by Fox News, The Hill, The Washington Examiner, The Daily Caller, and numerous other outlets.

Prior to founding the American Energy Institute, Jason was elected four times to the Texas House of Representatives, serving Hays and Blanco counties in the Texas Hill Country. During his tenure, he served on the Energy Resources and Environmental Regulation committees, where he developed a reputation as a leading advocate for affordable energy, regulatory restraint, and free market solutions.

Jason is a graduate of Stephen F. Austin State University. He lives in Hays County, Texas, with his wife, Texas State Representative Carrie Isaac, and their two sons.

EXECUTIVE SUMMARY

For most American families, a home is their single largest financial asset and the primary vehicle for building generational wealth. The integrity of the housing market depends on transparent, reliable information and fair competition.

Major real estate platforms, including Zillow, Realtor.com, Homes.com, and Redfin, now display climate risk scores produced by a private company called First Street. These scores are embedded across the broader digital real estate ecosystem, including platforms operated by CoStar Group.

Unlike FEMA flood determinations, established under federal law with formal procedures for review and appeal, these private climate scores:

- are based on forward-looking predictive modeling, not historical or regulatory data;
- carry no statutory authority;
- offer little or no meaningful dispute process for homeowners; and
- can directly contradict FEMA's official flood determinations.

Despite lacking regulatory authority, these scores appear prominently on home listings alongside FEMA flood maps, creating the false impression that they carry equivalent legal weight. They may influence buyer perception, insurance requirements, days on market, and ultimately property values.

Compounding the concern: BlackRock, Vanguard, and State Street ("The Big Three") hold significant ownership stakes in the parent companies of the nation's largest real estate listing platforms. These same firms have actively promoted Net-Zero climate and ESG governance frameworks across multiple industries and have exercised proxy voting power to advance climate-related corporate policies that exceed U.S. legal requirements.

This report examines the rise of private climate scoring in housing, the role of First Street, the institutional ownership structure of real estate platforms, the response from consumer watchdog organizations and independent policy researchers, and the potential impact on American property values.

If private climate modeling is shaping U.S. home values without regulatory accountability, and the same institutional investors promoting Net-Zero and ESG agendas hold significant influence over the platforms distributing these scores, Congress must investigate immediately.

KEY FINDINGS

- First Street's private climate risk scores now appear on Zillow, Realtor.com, Homes.com, and Redfin.
- These scores lack statutory authority, formal appeals, and frequently contradict FEMA maps.
- A documented $6.2 million case study shows buyer interest collapsing and prices dropping after a private score assigned a 9/10 flood risk to a FEMA Zone X (minimal risk) property.
- BlackRock, Vanguard, and State Street hold 19 to 25% combined ownership stakes in the parent companies distributing these scores.
- Consumers' Research formally alerted federal agencies, including the CFPB, FTC, FHFA, and HUD, urging investigation of First Street's role in distorting real estate markets.
- The Heartland Institute has documented that private climate scoring models embed ideologically driven assumptions and lack the empirical grounding of federally regulated flood maps.
- Congressional investigation into market integrity, consumer protection, and property rights is urgently needed.

1. INTRODUCTION

1.1 Private Property and Market Integrity

America's system of private property ownership is foundational to economic freedom and individual liberty. For most Americans, a home is not merely real estate; it represents a lifetime of work, savings, and sacrifice. It is the nest egg families rely on for retirement and the legacy they hope to leave their children.

The housing market depends on accurate information and fair competition. Historically, flood risk has been determined through FEMA and the National Flood Insurance Program, maps established under federal law with formal appeal processes.

Recently, however, a new layer of information has entered the market: private climate risk scores generated by First Street. These scores are not regulatory determinations. Yet they appear alongside FEMA maps, and they are quietly reshaping how buyers evaluate property across the United States.

2. PRIVATE CLIMATE RISK SCORES IN HOUSING

2.1 Rise of Climate Risk Scores

Major real estate platforms now display climate-related risk scores generated by private data providers. These scores evaluate flood, fire, heat, wind, and air quality risk, relying on predictive modeling rather than regulated historical data.

2.2 FEMA vs. Private Climate Models

The distinction between FEMA flood maps and First Street climate scores is fundamental:

FEMA Flood Maps	First Street Climate Scores
Federally regulated	Not regulated
Based on historical data	Based on predictive modeling
Determine insurance requirements	No legal or insurance authority
Formal appeals process (LOMA, elevation studies)	Limited or no recourse for homeowners

The result: a non-regulatory, privately generated score may influence buyer behavior and property values without any corresponding legal standard, oversight, or remedy.

2.3 Case Study: Market Impact

A $6.2 Million Property: The Hidden Cost of a Private Score

- FEMA designation: Zone X (minimal flood risk)
- First Street private score: 9 out of 10 flood risk
- After the score appeared on listing platforms:
    - Showings declined
    - Buyer interest collapsed
    - Time on market increased
    - The seller was forced to reduce price
- The score could not be effectively challenged.

In residential real estate, perception is often the first driver of value, and a private model with no regulatory standing had become the de facto risk authority for buyers.

3. MARKET STRUCTURE AND INSTITUTIONAL INFLUENCE

3.1 Ownership of Real Estate Platforms

BlackRock, Vanguard, and State Street collectively hold major ownership stakes in the parent companies of the largest U.S. real estate listing platforms:

Platform	Parent Co.	BlackRock	Vanguard	State Street	Big 3 Combined
Zillow	Zillow Group	5.15%	12.20%	1.90%	19.25%
Homes.com	CoStar Group	8.09%	16.70%	N/A	24.79%
Realtor.com	News Corp	6.82%	10.90%	6.38%	24.10%

As of 12/31/25.

3.2 The Big Three and Governance Influence

BlackRock, Vanguard, and State Street are separate firms. But they frequently advance aligned positions on ESG standards, climate risk disclosure, and Net-Zero governance. Because they are often the largest shareholders in publicly traded companies, when they vote in alignment, they can influence board composition, corporate strategy, and disclosure practices across entire industries.

Each firm has published stewardship guidelines encouraging climate-related governance:

- BlackRock has stated it may vote against directors at companies that fail to align with climate-risk and net-zero transition expectations.
- Vanguard identifies climate risk as a material financial issue and supports board oversight and disclosure of climate-related risks.
- State Street uses proxy voting and engagement to promote climate-related disclosures and alignment with global reporting frameworks.

These are not theoretical positions. They have been applied through proxy voting and shareholder engagement across multiple sectors. American Energy Institute reporting documents that BlackRock has:

- Supported proxy voting guidelines pressuring companies to adopt net-zero emissions targets beyond what federal or state law requires
- Backed climate disclosure demands modeled on proposed SEC regulatory frameworks
- Voted against directors for failing to adopt climate-related standards
- Supported shareholder proposals to restrict fossil fuel use and reshape agricultural supply chains
- Maintained divestment policies targeting certain coal-related companies

The pattern is clear: The Big Three are not passive capital holders. They actively use shareholder voting power to shape corporate behavior and advance climate governance frameworks across the U.S. economy. That these same firms hold significant ownership stakes in the real estate platforms now integrating private climate-risk scores raises serious questions about whether similar governance influence is shaping how property is evaluated and presented to consumers.

4. FOLLOW THE MONEY: THE CLIMATE SCORE PIPELINE

This pipeline illustrates how institutional ownership, real estate platforms, and private climate modeling intersect within the U.S. housing market. These relationships are governed by contracts, capital flows, and shareholder influence.

Big 3 Asset Managers	**BlackRock • Vanguard • State Street**
↓ Ownership Stakes	
Real Estate Platform Companies	Zillow Group • CoStar Group • News Corp
↓ Real Estate Platforms	
Listing Platforms	Zillow • Realtor.com • Homes.com • Redfin
↓ Private Climate Data	
Data Provider	First Street
↓ Displayed on Property Listings	
↓ Shapes Buyer Perception	
↓ Impacts American Home Values	

Recent reporting confirms formal agreements between platforms and First Street, indicating deliberate commercial integration, not coincidental adoption.

5. WHO IS FIRST STREET

Despite its growing influence in the housing market, First Street remains largely unknown to homeowners and real estate professionals. Yet its climate-risk models are now integrated into every major national real estate platform and may influence how buyers, lenders, insurers, and sellers evaluate residential property across the United States.

First Street originally operated as a nonprofit focused on climate-risk analytics. In 2024, it transitioned into First Street Technology, Inc., a Public Benefit Corporation backed by $33.5 million in private investment, allowing it to scale its modeling capabilities and expand into financial and property markets.

According to the company, its mission is to connect climate risk with financial risk through predictive modeling. First Street states that its models calculate past, present, and future climate exposure for individual properties across the United States, and that this data is distributed to consumers, businesses, financial institutions, and government entities.

This represents a fundamental shift in how property risk is evaluated. Rather than relying on historical data and federally regulated standards, these models project future climate scenarios and embed those projections into present-day market signals. In practice:

- Forward-looking climate assumptions are introduced into current property valuations
- Private models are integrated into platforms used by tens of millions of buyers
- These projections influence pricing, lending, insurance, and investment decisions, without regulatory oversight

As a privately funded entity, transparency into First Street's investor influence, incentives, and governance remains limited. Key unanswered questions include:

- Who ultimately funds and benefits from the expansion of these models?
- How are long-term projections validated against real-world outcomes?
- What safeguards exist when scores conflict with federally recognized data?
- Why do homeowners have no meaningful path to challenge them?

Follow the incentives: First Street is backed by private capital and built to scale climate-risk modeling across financial markets. The largest institutional investors promoting similar climate frameworks hold significant stakes in the platforms distributing these scores. When investment incentives and distribution power align, they don't just inform the market; **they shape outcomes.**

6. FIRST STREET'S MARKET REACH

Platform	Parent Company	Climate Data Source
Zillow	Zillow Group	First Street
Realtor.com	Move Inc. / News Corp	First Street
Homes.com	CoStar Group	First Street
Redfin	Redfin Corp.	First Street

First Street's climate-risk scores now appear across every major national real estate platform used by millions of Americans searching for homes, making it the de facto private arbiter of property risk for the U.S. residential market.

7. WHAT CRITICS AND WATCHDOGS ARE SAYING

Independent watchdog organizations and policy researchers have raised formal and substantive concerns about First Street's role in the housing market.

7.1 Consumers' Research

Consumers' Research, a leading consumer advocacy organization, formally alerted four federal agencies, including the Consumer Financial Protection Bureau (CFPB), the Federal Trade Commission (FTC), the Federal Housing Finance Agency (FHFA), and the Department of Housing and Urban Development (HUD), about the potential harm posed by First Street's climate scores.

The letter argued that First Street's private climate scoring system:

- Is being used to artificially suppress property values in targeted markets
- Lacks the transparency and accountability of federally regulated flood determinations
- May constitute consumer fraud by presenting speculative projections as authoritative risk data
- Operates without meaningful recourse for homeowners whose property values are affected

Consumers' Research called on these agencies to investigate First Street's practices and take appropriate enforcement action to protect American homeowners from unaccountable private climate-scoring systems.

7.2 Heartland Institute

The Heartland Institute, one of the nation's leading free-market policy research organizations, has documented serious methodological and ideological concerns with private climate scoring models like First Street's.

Heartland's research highlights:

- Private climate models embed speculative assumptions about future climate trajectories that are not grounded in observable historical data
- FEMA flood maps remain the appropriate, legally recognized standard for property risk determination, and private models that contradict them should not carry equivalent weight
- The widespread integration of ideologically driven climate models into financial and real estate markets represents a form of regulatory capture by private actors pursuing climate policy goals outside the democratic process
- Homeowners, lenders, and insurers deserve transparent, empirically grounded risk information, not politically motivated modeling embedded in platforms they cannot avoid

Taken together, these concerns from consumer advocates and independent policy researchers reinforce the case that private climate scoring in the housing market warrants urgent scrutiny from Congress and federal regulators

8. CONCLUSION

Private climate risk scores have been quietly embedded into the American housing market, with no regulatory authority, no formal appeals process, and no accountability to homeowners whose property values they affect.

These scores:

- Are produced by a private company backed by undisclosed investors
- Are based on predictive modeling, not regulated historical data
- Are displayed alongside federal flood maps, implying equal authority they do not possess
- Often cannot be meaningfully challenged by affected homeowners
- May suppress property values without any legal standard or remedy

At the same time, the nation's largest institutional investors who have already demonstrated willingness to use shareholder power to advance ESG and Net-Zero agendas across the broader economy hold significant ownership stakes in the very platforms distributing these scores.

Consumer watchdog organizations have formally alerted federal agencies. Independent policy researchers have documented the ideological and methodological flaws embedded in these models. A Tennessee broker has provided documented evidence of scores contradicting FEMA maps and destroying buyer interest in a multimillion-dollar property.

The question is no longer whether this problem exists. The question is whether Congress and federal regulators will act before more American families see the value of their greatest asset quietly eroded by private actors operating without accountability, transparency, or legal authority.

9. POLICY RECOMMENDATIONS

Initiate a Congressional Investigation

Congress should immediately investigate the integration of private climate risk scores into real estate platforms, determining whether these models are operating lawfully and whether they are suppressing property values without adequate oversight.

Require Contract Disclosure

Mandate public disclosure of all agreements between real estate platforms and third-party data providers, including financial terms, data usage rights, and governance considerations.

Require Clear Consumer Disclosure

Real estate platforms must clearly distinguish, for every consumer, between federally regulated determinations (such as FEMA flood maps) and private, predictive climate modeling. Consumers have a right to know what is fact and what is forecast.

Establish Homeowner Appeal Rights

Any climate-risk score appearing on a real estate listing must include a formal, accessible, and timely dispute process. Homeowners whose property values are affected by inaccurate private scores must have a meaningful path to challenge them.

Review Institutional Influence

Lawmakers should examine whether institutional shareholder influence is shaping housing-market information in ways that disadvantage homeowners and advance climate-governance agendas beyond U.S. legal requirements.

Protect Private Property Markets

Federal housing policy should ensure that private predictive climate modeling cannot suppress the market value of American homes without transparency, accountability, and due process.

Examine Wall Street's Role in Housing

Congress should examine whether institutional power is not only buying into housing markets, but also shaping how residential property is perceived and valued through private climate-scoring systems embedded in dominant listing platforms.

- What federal protections are necessary to ensure American home values cannot be undermined by unregulated, unaccountable predictive models?

10. TIMELINE OF KEY DEVELOPMENTS

Period	Development
2016–2019	First Street develops long-range environmental risk projections for financial institutions, insurers, and government clients.
2020	First Street begins marketing climate-risk analytics to financial and property markets through its Risk Factor platform.
2021	Major asset managers expand Net-Zero investment commitments and intensify pressure on corporations to disclose climate-related financial risk.
2022–2023	Major real estate platforms begin integrating private climate-risk scores into property listings.
2024	First Street converts to First Street Technology, Inc., a Public Benefit Corporation, securing $33.5M in private investment to scale its models.
2025	Climate-risk scores become standard on Zillow, Realtor.com, Homes.com, and Redfin. Brokers report widespread conflicts with FEMA designations. Consumers' Research formally alerts CFPB, FTC, FHFA, and HUD. Heartland Institute publishes analysis documenting methodological and ideological concerns.
2026	Scores remain widely displayed. Texas AG reaches a landmark agreement with Vanguard on ESG practices. Congressional scrutiny intensifies.

11. LEGAL AND REGULATORY ANALYSIS

11.1 Overview

The integration of private climate risk scores into residential real estate listings raises substantial legal and policy concerns under both federal and state law. These scores are produced by private entities, based on forward-looking predictive modeling, lack regulatory authority, often cannot be meaningfully disputed, and are displayed alongside federally recognized FEMA flood maps. When presented this way, they may influence consumer decision-making, property valuation, lending, and insurance outcomes.

11.2 Federal Law: FTC Act (Section 5)

Federal Trade Commission Act, Section 5, 15 U.S.C. § 45, prohibits "unfair or deceptive acts or practices in or affecting commerce." The FTC evaluates whether a representation is likely to mislead consumers and whether it is material, meaning it affects consumer decisions.

Private climate-risk scores may implicate this standard where they: are displayed alongside FEMA maps without clear distinction; create the impression of equivalent authority or reliability; are not disclosed as predictive, non-regulatory models; cannot be meaningfully challenged or corrected; and influence home purchase decisions or perceived property value.

Housing is among the largest financial decisions consumers make. Information affecting perceived flood risk, insurability, resale value, or long-term safety is almost certainly material under FTC standards.

11.3 State Law: Consumer Protection Statutes

North Carolina (N.C. Gen. Stat. § 75-1.1) broadly prohibits unfair or deceptive trade practices in commerce, applies to real estate transactions, requires no proof of intent, and provides for treble damages. Texas (Tex. Bus. & Com. Code § 17.46) prohibits misrepresentation of product or service characteristics and failure to disclose material information, with private right of action and Attorney General enforcement authority. Both statutes may apply where private scores imply authority or reliability beyond their actual status in real estate transactions.

11.4 Due Process Considerations

While private entities are not typically bound by constitutional due process requirements, serious fairness concerns arise when a privately generated score materially affects property value, is distributed through dominant market platforms, and provides the homeowner no meaningful avenue to challenge or correct it. This raises questions of procedural fairness where a score functions as a quasi-regulatory market signal with real financial consequences and no recourse.

11.5 Antitrust and Market Structure Context

The Texas Attorney General, joined by multiple states, has filed litigation alleging coordinated market influence by large institutional investors in energy markets, centered on the use of shareholder power to influence outcomes tied to ESG objectives If similar governance influence is present in real estate platforms, data integration decisions, and industry-wide adoption of uniform scoring models, policymakers may examine whether market signals are being shaped in a coordinated manner, competition reduced through uniform data frameworks, and consumers exposed to limited alternatives.

11.6 Key Legal Questions for Review

- Disclosure: Are consumers clearly informed that climate-risk scores are private, predictive models with no regulatory authority?
- Accuracy and Representation: Do these scores create a misleading impression when presented alongside FEMA flood maps?
- Material Impact: Are these scores influencing real estate transactions, lending, or pricing decisions?
- Recourse: Do homeowners have a meaningful ability to challenge or correct inaccurate scores?
- Market Influence: Are institutional investors or governance frameworks influencing the adoption of these systems across platforms?

11.7 Conclusion

The integration of private climate-risk scores into residential real estate listings represents a significant and largely unexamined shift in how property-related risk information is presented to consumers. When such scores lack regulatory authority, cannot be effectively challenged, and are presented in a manner that may influence financial decisions, they raise serious concerns under federal and state consumer protection laws.

Given the scale of the housing market and the importance of homeownership to American families, these issues warrant urgent review by Congress, state attorneys general, and federal regulators. When private, predictive models begin influencing the value of American homes without transparency or accountability, the question is not whether oversight is needed, but how quickly it must occur.

AmericanEnergyInstitute.com

ConsumersResearch.org