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July 15 2015

Over the past year, a select group of professional appraisal organizations have met to discuss what are jointly viewed as major problems facing our appraisal profession. The results of these discussions are outlined below and in the accompanying document entitled ***Regulatory Issues Affecting the Real Estate Appraisal Profession***.

Real estate appraisers are currently experiencing significant pressures that threaten the structure and integrity of the appraisal profession while posing financial risks to consumers. We believe that the declining attractiveness of the appraisal profession to new entrants is a major problem, leading to a dwindling qualified appraiser population, lack of transparency in the appraisal process as underwriters off-load risk, and consumers being offered fewer and lower quality professional tools related to one of their most significant financial investments for which they are required to arrive at a fully informed, intelligent decision.

We, the undersigned professional appraisal organizations, seek the following actions to help stabilize the market for practitioners and consumers (taxpayers) alike:

1. Create a more effective training structure to support Appraiser Trainees in order to support and promote growth in the appraisal profession.
2. Improve transparency in the valuation process by:
 - a. Enforcing consistency in state licensing requirements.
 - b. Supporting mandatory licensing rules that require the use of licensed or certified appraisers for any services for which an opinion of value for real property is developed.
 - c. Requiring complete disclosure and breakdown of the components covered by the appraisal fees.
3. Lower the de minimis threshold from \$250,000 TO \$25,000, providing consumers, at all levels, the opportunity to benefit in their decision making process by providing a professional, unbiased opinion of value.
4. Enforce payment of "customary and reasonable" fees to appraisers to protect the profession against declining fees and the assumed related decline in appraisal quality.
5. Encourage heightened appraisal scrutiny of all loan types including Qualified Mortgages and government-sponsored entities (GSE) by amending regulations to ensure that lenders are held to the same standards as that required of higher-risk mortgages.
6. Relax the three-day requirement for appraisal fee estimates by lenders to allow them sufficient time to estimate these fees given the potential complexities of appraisals versus other required criteria, such as routine credit reports, flood certifications, and tax services.
7. Support additional consumer access to educational products relating to the appraisal process.

The attached summary describes each of the actions listed above along with suggested solutions. In addition, a more detailed analysis including the historical development of the issues is available at <http://www.columbiasociety.org>.

We are very interested in discussing this issue with you or representatives from your office. Please contact us at 800-827-2720 to discuss and/or arrange for a date to meet so that we may discuss in person.

Respectfully,

American Society of Appraisers
Columbia Society of Real Estate Appraisers
Instituto de Valuadores de Puerto Rico

Massachusetts Board of Real Estate Appraisers
National Association of Independent Fee Appraisers
North Carolina Professional Appraisers Coalition

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The Appraisal Foundation.***



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