



NATIONAL ASSOCIATION OF REALTORS®

*The Voice For Real Estate®*

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July 6, 2009

The Honorable Gary Miller  
United States House of Representatives  
2349 Rayburn House Office Building  
Washington, DC 20515

Dear Congressman Miller:

I am writing on behalf of the 1.2 million members of the National Association of REALTORS® (NAR) to thank you for introducing HR 3044, which calls for an 18 month moratorium on the Home Valuation Code of Conduct (HVCC). The National Association of REALTORS® is America's largest trade association, including NAR's five commercial real estate institutes and its societies and councils. REALTORS® are involved in all aspects of the residential and commercial real estate industries and belong to one or more of some 1,400 local associations or boards, and 54 state and territory associations of REALTORS®. NAR has approximately 30,000 appraiser members from across the country and approximately 750 have earned our Residential Accredited Appraiser (RAA) and General Accredited Appraiser (GAA) designations.

NAR supports the independence of appraisers and the integrity of the appraisal process. We applaud Attorney General Cuomo and both GSEs for their efforts to address appraisal fraud in the mortgage industry. While the Code addresses appraisal fraud, we have concerns with the implementation that could be addressed during the proposed moratorium. As you know, on April, 20, 2009, we requested that the Federal Housing Finance Agency (FHFA) and New York State Attorney General implement a moratorium on the HVCC. We previously raised some of our concerns with Fannie Mae and Freddie Mac.

As you know, the implementation of the HVCC is causing outcomes that are negatively impacting the real estate industry. Because the HVCC requires mortgage brokers to arrange for appraisals through third party organizations, appraisal management companies (AMCs) now have an increased role in the real estate appraisal process. A preliminary review of NAR survey data indicates that appraisers are not retained by AMCs for their competency and qualifications, but for their turnaround time and price. Our members are reporting delays in closings and canceled sales, which result in artificially low existing home sales. It is also impacting refinances where lenders require appraisals.

Thank you for your time and consideration of this matter. If you have any questions or concerns, please do not hesitate to contact Jerry Giovaniello at 202.383.1115 or [jgiovaniello@REALTORS.org](mailto:jgiovaniello@REALTORS.org).

Sincerely,

Charles McMillan, CIPS, GRI  
2009 President, National Association of REALTORS®