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September 23, 2019

Wayne R. Miller, Chair
Appraisal Standards Board
The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005

Submitted via email: asbcomments@appraisalfoundation.org

RE: Concept Paper –Evaluation Standards in USPAP

Dear Chair Miller:

On behalf of the more than 1.3 million members of the National Association of REALTORS® (NAR), I thank you for the opportunity to comment on the Appraiser Standards Board's (ASB) *Concept Paper –Evaluation Standards in USPAP*. NAR agrees with the ASB that the real estate valuation market is changing and the continued use of evaluations, rather than traditional appraisals, in both purchase and re-finance transactions demands attention by stakeholders.

The National Association of REALTORS® is America's largest trade association, representing 1.3 million members, including NAR's institutes, societies, and councils, involved in all aspects of the residential and commercial real estate industries. Membership is composed of residential and commercial brokers, salespeople, property managers, appraisers, counselors, and others engaged in the real estate industry. Members belong to one or more of approximately 1,200 local associations/boards and 54 state and territory associations of REALTORS®.

The field of real estate valuation is changing rapidly. Both Fannie Mae and Freddie Mac have introduced data-driven valuation products to enable, in their own words, faster and more accurate property valuations. As of the date of this letter, the federal banking agencies have raised the appraisal waiver threshold for federally related commercial transactions and are intending to raise the threshold for residential transactions as well. With these increase, it means more lending entities are using evaluations to help assess the value and risk associated with a given property. Given this likely increase in evaluation activity, NAR believes that the ASB, as the entity entrusted with providing guidance to appraisers and other valuation professionals through the Uniform Standards of Professional Appraisal Practice (USPAP) needs to provide clearer and more robust guidance on evaluations. In that vein, NAR also urges the ASB to develop a separate definition for "evaluation" within USPAP. These steps will help provide much needed clarity not only to appraisers, but also to real estate agents, lenders, and other invested stakeholders in the real estate field.

With regards to development of more specific statements of guidance and rules, NAR believes ASB should create one or more task forces focused on developing guidance on evaluations. Each task force should be made up of representatives for relevant stakeholders, including appraisers, REALTORS®, lenders, etc. This would be similar to the action taken by the Appraisal Foundation, ASB's oversight organization, in creating a program geared toward bringing veterans into the appraisal field. A focused task force

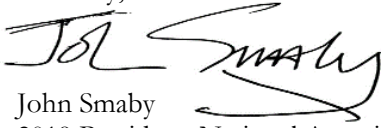


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that develops more solid recommendations than those presented in this current concept paper would enable commentators to provide richer and more useful feedback. As always, NAR offers its support in helping bring such a task force to life.

Thank you again for your consideration of these suggestions. If I may be of any assistance to you, please do not hesitate to contact me or NAR's Senior Policy Representative, Sehar Siddiqi, at (202) 383-1176 or SSiddiqi@REALTORS.org.

Sincerely,

A handwritten signature in black ink, appearing to read "John Smaby". The signature is fluid and cursive, with a large, sweeping flourish at the end.

John Smaby
2019 President, National Association of REALTORS®