NAR Issue Summaries

Valuation / Valuation Issues Update

NAR Committee:

Real Property Valuation Committee

What is the fundamental issue?

NAR members have identified several valuation issues impacting real estate transactions. Most concerns are related to appraisals, including appraiser independence, reconsideration of value policy, the increased use of automated or alternative valuation methods, a perceived shortage of appraisers, and the challenge of attracting new and diverse appraisers to the business.

I am a real estate professional. What does this mean for my business?

Appraiser Independence: Appraiser Independence Requirements set forth standards to safeguard the independence, objectivity, and impartiality of appraisers and prevent market participants from influencing an appraiser. However, industry compliance with AIR is not evident, and there is little oversight or enforcement mechanisms. NAR supports review of AIR for its effectiveness in enforcing independence and its impact on consumers and investors, including a mechanism for appraisers to voice AIR violations to regulators in an anonymous manner or with adequate whistleblower protections and ensuring that appraiser competence and quality is commensurate with compensation by developing tools that make these characteristics clear to market participants.

Reconsideration of Value: NAR supports a consistent framework within the mortgage industry for reconsiderations of value (ROVs), including clearly communicating the process and limitations to consumers and other stakeholders. Providing a consistent framework will build credibility in the valuation process and enable consumers to raise fair lending concerns.

Automated or Alternative Valuation Methods: Many in the housing industry, including NAR, support the role of appraisals and their contribution to the safety and soundness of the mortgage lending industry. However, there is an increased reliance by Fannie Mae and Freddie Mac (the GSEs) on automated valuation models (AVMs) for to inform appraisal waivers, as well as the use of inspection-based appraisal waivers and hybrid appraisals (where a property data collector inspects the home instead of the appraiser), rather than traditional in-person appraisals. NAR is supportive of technological advancements that support the housing market but has concerns with the use of automated valuations and other appraisal alternatives in purchase and other higher risk transactions.

Appraiser Shortages: Appraisers are leaving the profession at the same time that entry of new appraisers is dwindling. Entrepreneurial opportunities for appraisers are disappearing, and many are concerned with over-regulation in the field. There are also barriers to entry, such as education requirements, that could be affecting incoming appraiser numbers.

Appraiser Qualifications: It is becoming increasingly difficult to attract new entrants into the appraisal

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profession. In an effort to bring more qualified trainees into the profession, the Appraisal Qualifications Board (AQB) revised the Real Property Valuation Criteria to allow for more flexibility in fulfilling the college-level education requirements for appraisers and reducing the number of experience hours in early 2018. The AQB is now exploring alternative methods to provide trainee appraisers with the required education, including exploring virtual property inspections and partnerships with other educational institutions.

NAR Policy:

REALTORS® support and encourage credible, independent valuations of real property because valuations are critical to the health of the overall real estate industry.

A trustworthy valuation of real property ensures the real property value is sufficient to collateralize the mortgage, protects the mortgagor, allows secondary markets to have confidence in the mortgage products and mortgage-backed securities, and builds public trust in the real estate profession.

View the NAR's Responsible Valuation Policy

Opposition Arguments:

There is no political opposition to NAR's support of credible, independent valuations of real property.

Legislative/Regulatory Status/Outlook

Current Legislative and Regulatory Activities

On December 10, 2025,NAR senta letterto the The Appraisal Foundation's Qualification Board (AQB) in response to its Exposure Draft Proposed Interpretations and the Retirement of Guide Note 4. In the letter, NAR stated that it values fair housing education, which is a recurring requirement for its members. The AQB's fair housing requirement for appraisers exceeds that of NAR. However, beginning in 2026, NAR will allow any course that satisfies the learning objectives for the AQB's "Valuation Bias and Fair Housing Laws and Regulations" continuing education requirement and is approved by the AQB's Course Approval Program and/or by state appraisal regulatory agencies to also satisfy NAR's "Fair Housing Training" requirement. NAR also cautioned that the retirement of guidance on practicums could be disruptive without replacement language in place.

On November 12, 2025, Rep. Byron Donalds (R-FL-19) introducedH.R. 6025 – Appraisal Industry Improvement Act to amend the National Housing Act to authorize State-licensed appraiser to conduct appraisals in connection with mortgages insured by the FHA and to ensure compliance with the existing appraiser education and competency requirements, and for other purposes. This bill was referred to the House Committee on Financial Services

On November 7, 2025, Rep. Ayanna Pressley (D-MA-7) introducedH.R. 5975 – Appraisal Modernization Act to amend the Truth in Lending Act to require that financial institutions, appraisal management companies, appraisers, and other valuation professionals are serving the housing market in a manner that is efficient

and consistent for all mortgage loan applicants, borrowers, and communities, and for other purposes; to study the feasibility of creating a national public appraisal database. This bill was referred to the Committee on Financial Services, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

On September 25, 2025,NAR sent a letter to the Federal Housing Finance Agency (FHFA) in response to its request for input on "Proposed Collection; Comment Request: 'Minimum Requirements for Appraisal Management Companies (AMC)." In the letter, NAR stated that weak oversight and enforcement of AMCs' requirement to provide rationale for an appraiser's removal or reduced usage on a panel result in violations of appraisal independence. Further, NAR argues that appraisers should have a viable vehicle to lodge complaints with adequate whistle blower protections. Weak oversight and enforcement by Fannie Mae and Freddie Mac (the GSEs) and the Federal Housing Finance Agency (the FHFA) can impact the quality of service provided to the consumer and undermine the safety and soundness of the GSEs and the housing finance system.

On September 19, 2025, Rep. Barry Loudermilk (R-GA-11), along with cosponsors Rep. Daniel Meuser (R-PA-9), Rep. Scott Firzgerald (R-WI-5), Rep. Susie Lee (D-NV-3), Rep. Joe Neguse (D-CO-2), Rep. Brittany Pettersen (D-CO-7), and Rep. David Kustoff introduced H.R. 5520 – Portal for Appraisal Licensing Act of 2025 to amend the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 to establish a Portal for Appraiser Credentialing and AMC Registration Information, and for other purposes. Rep. Eugene Simon Vindman (D-VA-7), Rep. Michael Lawler (R-NY-17), and Rep. William R. Timmons (R-SC-4) later signed on as cosponsors. This bill was referred to the House Committee on Financial Services.

On August 1, 2025, Sen. Tim Scott (R-SC) introduced S.2651– Renewing Opportunity in the American Dream (ROAD) to Housing Act of 2025 to increase the supply of affordable housing in America. This bill was placed on the Senate Legislative Calendar under General Orders Calendar No. 143.

On July 28, 2025,NAR sent a letter to the Senate Banking Committee leadership expressing strong support for the Renewing Opportunity in the American Dream to Housing Act of 2025 (ROAD to Housing Act), a landmark, comprehensive piece of legislation that addresses the full spectrum of housing needs while prioritizing pathways to homeownership for American families. The ROAD to Housing Act includes codification of reconsideration of value processes, as well as allowing licensed appraisers to complete FHA appraisals and adding appraiser trainees to the National Registry of appraisers.

On July 17, 2025, Sen. Raphael Warnock (D-GA), along with cosponsors Sen. Angela Alsobrooks (D-MD), Sen. Lisa Blunt Rochester (D-DE), Sen. Andy Kim (D-NJ), Sen. Cory Booker (D-NJ), Sen. Elizabeth Warren (D-MA), and Sen. Mark Warner (D-VA) introduced S.2322- Appraisal Modernization Act. This bill is to amend the Federal Housing Enterprises Safety and Soundness Act of 1992 to require that financial institutions,appraisalmanagement companies, appraisers, and other valuation professionals are serving the housing market in a manner that is efficient and consistent for all mortgage loan applicants, borrowers, and communities, and for other purposes. Sen. Richard Blumenthal joined as cosponsor on December 16, 2025. This bill was referred to the Senate Committee on Banking, Housing and Urban Affairs, and later added to the ROAD to Housing Act of 2025 in a modified form.

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On May 12, 2025, NAR sent a letter to the Office of Management and Budget, commenting on regulations that REALTORS® believe might be altered to stimulate increased competition or benefit the market. Among NAR's suggestions are a call to eliminate the expansion of appraisal waivers for high balance purchase mortgages, retain policy standardizing ROV processes, and updating the appraisal Fee Disclosure and tolerance in TRID, allow appraiser compensation and fees charged by AMCs to be separated

On May 9, 2025, NAR sent a letter to the Appraiser Qualifications Board responding to the concept paper, "Additional Experience Options: Should They Have a Place in Appraiser Qualifications?" NAR recommended an investigation into other professions to explore if the current number of required experience hours is appropriate or is an unnecessary burden and barrier to entry into the appraisal profession, establishing equivalency credit for experience in licensed and regulated fields including licensed real estate salespersons, real estate agents, and real estate brokers, and establishing equivalency credit for both education and experience in licensed and regulated fields involving valuation.

On May 7, 2025, Sen. Kevin Cramer (R-ND) and co-sponsor Sen. Ruben Gallego (D-AZ) introduced S. 1635 - Appraisal Industry Improvement Act. This bill is to amend the National Housing Act to authorize State-licensed appraisers to conduct appraisals in connection with mortgages insured by the FHA and to ensure compliance with the existing appraiser education and competency requirements, and for other purposes. This bill was referred to the Senate Committee on Banking, Housing, and Urban Affairs, and later added to the ROAD to Housing Act in modified form.

On March 27, 2025, Rep. Sean Casten (D-IL) introduced H.R.2413 and Sen. Michael Bennet (D-CO) introduced S. 1178 – GREEN Appraisals Act of 2025, to provide for accurate energy appraisals in connection with residential mortgage loans, and for other purposes. The House bill was referred to the Committee on Financial Services, in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned, and the Senate bill was referred to the Senate Committee on Banking, Housing, and Urban Affairs.

On February 4, 2025, NAR sent a letter to the Appraisal Subcommittee (ASC) providing comments and recommendations on the proposed rule regarding the enforcement authority over state appraiser and appraisal management company regulatory programs to ensure effective oversight and protection of consumers and lenders. NAR recommended that the proposed rule include additional monitoring of AMCs, whistleblower protection for appraisers, more consistency in regulation and investigation, monitoring to assess the adequacy of jurisdictions' funding, and measurement of how effectively new rules and oversight achieve compliance.

On August 1, 2024, NAR sent a letter to the Director of the Consumer Financial Protection Bureau (DFPB) in response to the Request for Information (RFI) regarding fees imposed in residential mortgage transactions, which states that, "REALTORS® believe that for regulatory oversight and enforcement purposes, transparency, and market efficiency, fees charged by AMCs should be identified separately from those charged by appraisers. To this end, REALTORS® urge the CFPB to amend the current structure of the CD to mandate that lenders stipulate separate line item for the appraisal fee and AMC fee. Furthermore, the CFPB should collect information on appraisals and AMCs fees for research and reporting to the public."

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On July 26, 2024, NAR sent a letter to The Appraisal Foundation (TAF) in response to its concept paper on the educational requirements for appraiser licensing. While NAR has no position on the educational requirements for appraisers, in the letter NAR applauds TAF for a forward-looking approach in this effort, as fostering a process to developing new appraisers of high quality is key to the long-term success of the housing market. NAR suggests using existing data on appraisers with and without college degrees to quantify whether a college education is a meaningful requirement. The letter also urges the Appraisal Qualifications Board (AQB) of TAF to establish equivalency credit for education and experience in licensed and regulated fields involving valuation such as licensed real estate salespersons, real estate agents, and real estate brokers.

Current Legislation/Regulation (bill number or regulation)

H.R. 6025 – Appraisal Industry Improvement Act

H.R. 5975 – Appraisal Modernization Act

H.R. 5520 – Portal for Appraisal Licensing Act of 2025

US S 2651: ROAD to Housing Act of 2025

S.2322 - Appraisal Modernization Act

S. 1635 - Appraisal Industry Improvement Act

H.R.2413 - GREEN Appraisals Act of 2025

S. 1178– GREEN Appraisals Act of 2025

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