NAR Issue Summaries

Valuation / Appraiser Complaint Referral

NAR Committee:

Real Property Valuation Committee

What is the fundamental issue?

Improve the referral of appraiser complaints to state licensing and enforcement agencies. Complaints from GSEs and federal housing programs may not include enough information or a knowledgeable contact to support a meaningful state investigation. Automated referrals can also generate false positives.

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

Appraisers may face complaints that affect their reputation or license. Agents and brokers should understand that legitimate quality concerns must be reported appropriately, with supporting facts.

NAR Policy:

NAR urges Fannie Mae, Freddie Mac, HUD, USDA, and VA to improve complaint-referral processes, including human review and a designated contact who can cooperate with state investigators.

Legislative/Regulatory Status/Outlook

State enforcement procedures differ. Federal requirements governing valuation independence and mandatory reporting already exist, but they do not establish every operational detail in NAR's proposal.

Current Legislation/Regulation (bill number or regulation)

Truth in Lending Act § 129E and CFPB Regulation Z, 12 CFR § 1026.42(g), require covered persons to refer certain material appraiser noncompliance to the appropriate state agency.

Legislative Contact(s):

Keisha Wilkinson, kwilkinson@nar.realtor, 202-383-1108

Regulatory Contact(s):

Keisha Wilkinson, kwilkinson@nar.realtor, 202-383-1108