NAR Issue Summaries

Valuation / Appraiser Independence Requirements

NAR Committee:

Real Property Valuation Committee

What is the fundamental issue?

Protect the independent judgment of appraisers and other valuation professionals.

Fundamental issue: Pressure from lenders, AMCs, real estate professionals, borrowers, or other interested parties can undermine the objectivity of a valuation.

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

REALTORS® can provide relevant property information and request corrections, but must not pressure an appraiser to reach a predetermined value. Accurate documentation and professional communication are essential.

NAR Policy:

NAR's appraisal-independence principles support valuations based on independent professional analysis rather than the desired outcome of a transaction.

Legislative/Regulatory Status/Outlook

The core protection is established. Future debate is more likely to focus on implementation, oversight, compensation, and how independence rules apply to evolving valuation products.

Current Legislation/Regulation (bill number or regulation)

Truth in Lending Act § 129E and 12 CFR § 1026.42 prohibit specified coercion and conflicts of interest. The regulation expressly permits requests for appropriate property information, additional explanation, and correction of errors.

Legislative Contact(s):

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

Regulatory Contact(s):

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