NAR Issue Summaries

Valuation / Bifurcated and Hybrid Valuation

NAR Committee:

Real Property Valuation Committee

What is the fundamental issue?

Support appropriate regulation and safeguards for valuation processes that separate property data collection from appraisal analysis.

Fundamental issue: Hybrid and bifurcated valuations can change who inspects a property and who performs the valuation analysis. Inadequate data quality, training, accountability, or disclosure can affect reliability.

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

Agents and brokers may encounter valuation products with different inspection and data-collection methods. Understanding the product and communicating its limitations can help manage client expectations.

NAR Policy:

The policy compilation records NAR's support for regulation of bifurcated and hybrid valuations, including training, liability coverage, unbiased data collection, consumer disclosure, and appropriate oversight.

Legislative/Regulatory Status/Outlook

Implementation is influenced by lender requirements, GSE policies, federal appraisal rules, and state licensing frameworks. A single comprehensive federal mandate should not be assumed to exist.

Current Legislation/Regulation (bill number or regulation)

Relevant frameworks include FIRREA Title XI, applicable federal banking-agency appraisal regulations, and the valuation-independence requirements in 12 CFR § 1026.42. The precise requirements depend on the transaction and product.

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