

Congress of the United States
Washington, DC 20515

November 4, 2021

Ms. Sandra Thompson
Acting Director, Federal Housing Finance Agency
400 7th Street SW
Washington, DC 20219

Dear Acting Director Thompson:

Due to high-bar qualification requirements, housing appraisers are in more demand than ever – and buyers are paying the price. We need to encourage more appraisers to enter the profession to ensure that the goal of owning a home remains in reach for working Americans.

Over the past 12 years, there has been a 20% to 25% decline in the number of registered appraisers.¹ In addition to attracting fewer new entrants, the appraiser community is becoming older and less diverse. Regulatory burdens are a major barrier to entry: high training and licensing costs, financial disincentives for existing appraisers to train new appraisers, and other challenges are making this profession less attractive to new talent.

Given its frontline experiences and authorities under the Financial Institutions Reform, Recovery, and Enforcement Act, the Federal Housing Finance Agency (FHFA) is well-positioned to help improve the appraisal process. To that end, we suggest three potential reforms for FHFA to consider:

- Review the current efficacy of appraisal management company models, which often serve as unnecessary middlemen in the appraisal process and can drive-up costs for consumers.
- Further evaluate alternatives to the traditional appraisal, including when and how automated valuations models (AVM), hybrid appraisals, desktop appraisals, and other valuation products could be used without causing undue harm to the stability of the real estate market.
- Reassess the current minimum educational and professional standards for appraisers, such as the requirement appraisers hold a college degree, and suggest qualification alternatives to ensure the industry maintains necessary standards without imposing unnecessary barriers for new professional entrants.

The current regulatory framework has led to delays in the appraisal process and increased costs on the consumer due to fees outside of the appraiser work product. We urge you to use your position on the Appraisal Subcommittee to propose a comprehensive reform of the appraisal process to encourage new entrants into the appraiser market, eliminate unnecessary costs on American homebuyers, and strengthen our economy.

Thank you for your attention and consideration of this issue. We look forward to working with the FHFA to solve this problem.

¹ “Freddie Mac Finds ‘Pervasive’ Bias in Home Appraisal Industry (Correct).” *Bloomberg Government*, September 30, 2021. <https://www.bgov.com/core/news/#!/articles/R095RDT0G1KX>.

Sincerely,



Tom Emmer
Member of Congress



William Timmons
Member of Congress



Alexander X. Mooney
Member of Congress