TAVMA
Title/Appraisal Vendor Management Association

January 8, 2009

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW.
Washington, DC 20552

Attention: ID OTS-2008-0012
Proposed Interagency Appraisal and Evaluation Guidelines

To Whom It May Concern:

This letter is in response to the Proposed Interagency Appraisal and Evaluation Guidelines issued by your agency earlier this year. The Title and Appraisal Vendors Management Association ("TAVMA") appreciates this opportunity to provide comments on the proposed Interagency Appraisal and Evaluation Guidelines. TAVMA has a unique perspective on the appraisal issues that the guidelines address since many of its members are large appraisal firms, vendor management companies (VMCs) and appraisal management companies (AMCs) that provide real estate appraisals. TAVMA has followed the issue of appraisal independence closely for many years and has provided drafting comments for both state and federal proposals on the issue.

TAVMA is a non-profit professional organization headquartered in Pittsburgh, Pennsylvania that represents more than 50 companies engaged in the real estate settlement services industry. TAVMA promotes the settlement services industry by presenting its members' positions to government and media, protecting its members' rights to do business without unfair and anticompetitive legislation and regulations, and providing useful information about issues impacting the real estate settlement services industry and mortgage finance system in the United States.

TAVMA's members share the concerns of the financial institutions regulatory agencies regarding appraisal independence and undue influence upon property valuations. We therefore support and endorse the Proposed Interagency Appraisal and Evaluation Guidelines as a practical means to further the goals and responsibilities of the agencies to the public. TAVMA believes that the proposed interagency guidelines are practical and manageable. However, some organizations within our membership are concerned about the possible impact of the guidelines upon automated valuation models (AVMs).

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Therefore, we would urge the agencies to review the AVM usage issue on a periodic basis to assure that the regulatory requirements are necessary and driven by real risks posed to consumers by automated valuations.

We further support the fact that the Office of the Comptroller of the Currency (OCC), Office of Thrift Supervision (OTS), Board of Governors of the Federal Reserve System (FED), Federal Deposit Insurance Corporation (FDIC), and National Credit Union Administration (NCUA) are the right agencies with the personnel and authority needed to oversee mortgage lenders and assure that there is no inappropriate client pressure to influence the development and reporting of real estate appraisals for mortgage purposes. The Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and the Uniform Standards of Professional Appraisal Practice are examples of just two of the prominent mandates that are overseen by the federal government and federal laws and regulations. As such, the financial institutions regulatory agencies comprise the federal government regulators that are best positioned to establish guidelines and standards that assure appraiser independence.

TAVMA believes that the Proposed Interagency Appraisal and Evaluation Guidelines are so robust that they subsume the goals of the proposed Home Valuation Code of Conduct ("HVCC") for appraisals and other proposals to regulate the clients of appraisers, including AMCs. TAVMA believes that the key issue presented to clients who purchase appraisals from appraisers in the HVCC and similar proposals is appraisal independence. TAVMA believes that appraisal law and regulation has been, and should remain, primarily a matter of federal control and regulation. State appraisal boards were created under FIRREA to train, certify and license *individual* appraisers. Most state boards consist primarily of appraisers and their jurisdiction has been limited, thus far, under federal law. TAVMA does not believe that the authority of the state boards should be expanded to new areas of control and regulation of the business entities that are the clients of real estate appraisers.

Thank you for your attention and consideration in this matter.

Sincerely,

Jeffrey M. Schurman
Executive Director

cc: William Sussman, Chairman of the Board of Directors, TAVMA
TAVMA Board of Directors