



NATIONAL ASSOCIATION OF APPRAISERS

www.naappraisers.org (210) 570-4950
The Association for All Professional Appraisers

June 26, 2023

The Honorable Sandra L. Thompson
Director
Federal Housing Finance Agency
400 7th Street SW, 9th Floor
Washington, D.C. 20219

Dear Director Thompson:

The National Association of Appraisers (NAA) is a nonprofit, 501(c)(6) association representing professional appraisers across the country. NAA appreciates the opportunity to bring feedback to the attention of FHFA regarding property data collectors (PDCs) that we have received from our members, board of governors, and other market participants.

Real estate appraisers are held to the Uniform Standards of Professional Appraisal Practice (USPAP), are required to have regulated training, continuing education, and background checks, and are held accountable by state regulators for work quality, conduct, and ethics.

- There is no such regulatory mechanism in place to ensure that all PDCs are receiving mandatory training, background checks, and accountability to a regulator.
- There is currently no demonstration of competency for non-appraisers to complete data collection for lending purposes.
- There is nothing to prevent a PDC from being removed from one client's panel for cause and simply applying to another client's panel.
- In cases of PDCs' errors, misrepresentations, or conduct issues, there is no regulatory accountability.

The Fannie Mae Selling Guide section B4-1.2-03 requires the appraiser to include "a floor plan conforming to the ANSI [measurement] standard" for hybrid appraisals, with that floor plan coming from the PDC. However, at this time, not all measurement apps used by PDCs claim to conform to the ANSI standard, which puts the appraiser in the problematic position of including in the appraisal a floor plan that may or may not comply with the measurement standard and consequently not meeting the Selling Guide requirements.

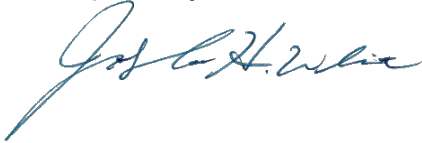
Many AMC's and lenders are under the mistaken impression that appraisers and appraiser trainees cannot serve as PDCs. However, appraisers can fulfill the property data collector role, especially as a training opportunity for trainee appraisers. In most states, real estate appraiser trainees are registered and receive property data collection training as part of their appraisal training. Additionally, the public trust is served with the use of appraisers who operate under regulated licensing, education, and oversight. Current messaging has not made it clear to secondary market participants that appraisers and trainees can fill this role.

The data collected by a PDC includes condition, quality, room counts, physical materials, damage, deficiencies, views, and locational factors, which is then passed on to the appraiser to rely upon for a hybrid appraisal. Although many respected providers of PDC services do proactively and adequately vet and train their contractors, the lack of regulatory oversight of PDCs in terms of training, education, and experience means that the appraiser may at times be unable to fulfill the standards of USPAP which require the appraiser to have a basis to believe the PDC is competent and to have no doubt the PDC's work is credible.

In conclusion, we request that FHFA consider requiring some minimal type of regulation, certification, or other mechanism to track training and performance for property data collectors.

Thank you for the opportunity to share our concerns related to the property data collection process. We appreciate the continued opportunities to interact with FHFA, Fannie Mae, and Freddie Mac.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Joshua Walitt".

Joshua Walitt, MNAA
President, Board of Directors
National Association of Appraisers

A handwritten signature in blue ink, appearing to read "Pamela K. Teel".

Pamela K. Teel, ATA-G, MNAA
Chair, Board of Governors Committee
National Association of Appraisers