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## **Appraisal Inst. calls for modernization of appraisal regulatory structure**

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Recently, the Appraisal Institute submitted a joint industry letter to the Senate Banking Committee advocating revisions to deficiencies in the appraisal regulatory structure. Specifically, the Appraisal Institute urged the Senate to adopt Title VII of House Resolution 3915 (H.R. 3915), the Mortgage Reform and Anti-Predatory Lending Act, which would allot greater resources to state appraisal boards for enforcement activities while increasing the effective oversight authority of the Appraisal Subcommittee.

Â The letter, cosigned by the American Society of Appraisers, American Society of Farm Managers and Rural Appraisers and the National Association of Independent Fee Appraisers, came in response to a recent Associated Press expose highlighting the shortcomings of Title XI of the Financial Institutions, Reform, Recovery and Enforcement Act of 1989. Title XI is the legislation that contains the provisions that govern the appraisal regulatory structure.

Â The Appraisal Institute expressed its concern over the following areas of Title XI, which the organization has stated are in need of revision:

- \* The Appraisal Subcommittee's lack of enforcement authority over state appraisal boards.
- \* The Appraisal Subcommittee's lack of resources for conducting investigations and enforcing rules.
- \* The lack of penalties for parties who attempt to coerce appraisers to meet a predetermined opinion of value, thus jeopardizing the integrity of the real estate transaction.
- \* The current appraisal "de minimis," whereby transactions below \$250,000 are exempted from Title XI's appraisal requirements, which according to the Appraisal Institute, "exposes consumers to unregulated valuation products."

Currently the bill is pending in the Senate Banking Committee. For more information on the comment letter sent to the Senate Banking Committee, visit the News and Advocacy section of the Appraisal Institute's Web site at: [www.appraisalinstitute.org/newsadvocacy/actions.aspx](http://www.appraisalinstitute.org/newsadvocacy/actions.aspx).

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