

Washington DC Meeting Report

Thank you for the privilege of representing North Dakota on the Real Property Valuation Committee. The committee met on May 17 at 8:00 a.m.

There were several items of interest on the agenda for North Dakota. The issue Appraiser Trends still shows that there are fewer appraisers nationally. This is compounded by appraisers who will also not participate in certain types of appraisals such as FHA because of increased requirements and higher liability to the appraiser. This was presented by Ken Fears the NAR Research Director of Housing and Finance and Regional Economics.

We received a report from the NAR Dodd-Frank CFPB Work Group concerning Changes to NAR's Responsible Lending Principles. The main points of the report have to do with making a look at credit more inclusive that just the credit score especially for those consumers that are just establishing credit history. It also sends cautionary language regarding the use of subprime loans in the market, plus establishes a call for appraiser independence in the process while calling for some changes in the AMC system.

Anthony Hutchinson from FreddieMac who the Director of Government & Industry Relations spoke to the committee. He related a model of using an automated model that might eliminate the need for appraisal in a comparable rich environment and only use appraisers for more complicated or unique properties. The committee did not receive that well as we felt that would drive the price of appraisals up for the other consumers as well as dilute the validity of the value without a current appraisal on the property. Mr. Hutchinson spoke on the mandate on the Duty to Serve on modular homes and rural properties. This directly affects North Dakota because we are underserved in many areas of our state. There are no clear solutions, but at least we are beginning to have conversations about the issues especially in light of average of appraisers in our state in the underserved areas.

The next significant issue was the continued discussion of how to address the licensing guidelines for appraisers. This centers around education levels and field service experience which are two hurdles which prevent people from entering the profession. This has green through 3 drafts. The AQB is trying to make sure there is enough college level education plus strike a balance with actual field work with demonstration field work. I have been involved with this from North Dakota over the last couple years, and we inching towards a more balanced approach that will allow the completion of the field work to occur more timely.

Respectfully submitted,

Dave Lanpher