

4/08 BOARD ISSUES COMMENT LETTER TO THE OFFICE OF FEDERAL OVERSIGHT (OFHEO) REGARDING THE HOME VALUATION CODE OF CONDUCT (HVCC) AND URGES APPRAISERS TO COMMENT. Information concerning the New York Attorney General, Fannie Mae and Freddie Mac Agreements to Combat Appraisal Fraud is available at www.ofheo.gov under Latest News. The Board urges appraisers to comment directly to OFHEO concerning the HVCC. The comment period ends 4/30/08. The Board issued the following comment letter to the OFHEO:

April 18, 2008

Office of Federal Housing Enterprise Oversight (OFHEO)
1700 G Street, NW
4th Floor
Washington, DC 20552

RE: Home Valuation Code of Conduct

To Whom It May Concern:

The Arizona Board of Appraisal appreciates the opportunity to submit comments regarding the Home Valuation Code of Conduct.

The Board would like to applaud your advocacy for appraisal independence and your goal to prevent lender pressure. The Board agrees that it is not only necessary that the appraiser be competent to complete an appraisal assignment, but that the party making the decision of which appraiser to hire also be competent to make such a decision. The Board agrees with the Attorney General that the accuracy and independence of the appraisal process must be ensured and protected.

The Board urges that the ramifications of using appraisal management companies be carefully considered. It has been the Board's experience that complaints regarding appraisal management companies are not subject to any oversight or regulation. To that end, the Board is concerned that the integrity of the primary and secondary markets will not improve if current practices by these companies do not change. The focus of these companies appears to be primarily speed and cost with little or no emphasis on quality of the appraisal or experience and competence of the appraiser. To ensure a greater emphasis on a quality product to restore public trust, it is imperative that appraiser management companies be regulated, either federally or required of all states at the state level.

The Board is available to be of any assistance to you in the implementation of this new program.

Sincerely,

/S/
Lester G. Abrams
Chairman

/S/
Deborah G. Pearson
Executive Director