June 9, 2014

Via Electronic Submission

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
400 7th Street SW., Suite 3E–218, Mail Stop 9W–11
Washington, DC 20219
Docket ID OCC–2014–0002

Robert deV. Frierson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW.
Washington, DC 20551
Docket No. R–1486

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Executive Secretary
Attention: Comments/Legal ESS
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RIN 3064–AE10

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Docket No. CFPB–2014–0006

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RIN 2590–AA61

RE: Proposed Minimum Requirements for Appraisal Management Companies

Dear Ladies and Gentlemen:

The Coalition to Facilitate Appraisal Integrity Reform (the "FAIR Coalition") appreciates the opportunity to provide comments on the minimum requirements (the "Proposed Rules") for appraisal management companies ("AMCs") that the Office of the Comptroller of the Currency ("OCC"), the Board of Governors of the Federal Reserve System ("FRB"), the Federal Deposit Insurance Corporation ("FDIC"), the National

Credit Union Administration ("NCUA"), the Federal Housing Finance Agency, and the Consumer Financial Protection Bureau ("CFPB") (collectively, the "Agencies") have proposed to implement the requirements of Section 1124 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act").

I. EXECUTIVE SUMMARY

The FAIR Coalition applauds the Agencies' efforts to propose reasonable minimum standards for the provision of appraisal management services. In keeping with the aims of the Dodd-Frank Act, the FAIR Coalition supports the establishment of a national scheme to regulate AMCs, believing that it will: (1) help to ensure the integrity and independence of the appraisal process; (2) protect consumers in mortgage lending transactions; and (3) provide an invaluable benefit to lenders, allowing them to focus on other aspects of the lending process while leaving appraisal ordering and review functions to entities better positioned to do so.

While the FAIR Coalition generally supports the Proposed Rules, we are concerned that some of its provisions may have effects that Congress did not intend when enacting the Dodd-Frank Act. The FAIR Coalition's principal concerns are that:

- By making state registration of AMCs voluntary rather than mandatory, the Proposed Rules leave open the possibility that states could preclude AMCs from providing services in connection with federally related transactions;

- By distinguishing between AMCs and appraisal firms, the Proposed Rules may preclude consumers from receiving the protections created by the Dodd-Frank Act depending on the type of entity that provides appraisal management services in connection with a consumer credit transaction;

- By including in the minimum standards requirements related to compliance with Section 129E of the Truth in Lending Act ("TILA") without clarifying what role state appraisal boards may have in the interpretation and enforcement of that statute, the Proposed Rules may create conflict between state and federal law and may undermine AMCs' ability to comply with TILA; and

- By treating the vetting and engagement of appraisers as equivalent processes in determining appraiser panel membership, the Proposed Rules would diverge from AMCs' usual business practices and may adversely impact AMCs' business activities.

in addition to these overarching concerns, in this letter the FAIR Coalition will provide comment on several other issues the Agencies raised in the Proposed Rules.

II. COMMENTS

In response to the Agencies' specific requests for comment, the FAIR Coalition presents for the Agencies' consideration responses to Questions 1, 2, 3, 6, 7, 9, 10, and 11.[1]

A. Question 1: All Aspects of the Proposed Definition of AMC

The Agencies have requested comment on all aspects of the proposed definition of an "appraisal management company (AMC)".[2]

I. Establishing a Uniform Definition of an "Appraisal Management Company," and Related Terms Is Supported by the Dodd-Frank Act and Will Ensure Consistency in the Regulation of AMCs

The FAIR Coalition requests that the Agencies establish uniform definitions of "appraisal management company" and related terms (including "appraisal management services" and "appraiser panel"), rather than creating minimum standard terms from which the states may deviate in their own AMC laws.

The organization of the Dodd-Frank Act's amendments to FIRREA supports this request. Section 1473 of the law amends Section 1124 of FIRREA to require the Agencies to "jointly, by rule, establish minimum requirements to be applied by a State in the registration of appraisal management companies." Subsection (a) sets forth the minimum requirements (including registration with and supervision by a state appraiser board), while Subsection (b) preserves the right of states to "establish requirements in addition to any rules promulgated under subsection (a)." Section 1473 of the Dodd-Frank Act also added to FIRREA the definition of an "appraisal management company" (which encompasses a definition of appraisal management services similar to that found

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[1] See 79 Fed. Reg. 19521, 19524-29 (April 9, 2014).

[2] The Proposed Rule defines an appraisal management company as a person that:

(i) Provides appraisal management services to creditors or to secondary mortgage market participants, including affiliates;

(ii) Provides such services in connection with valuing a consumer's principal dwelling as security for a consumer credit transaction or incorporating such transactions into securitizations; and

(iii) Within a given year, oversees an appraiser panel of more than 15 State-certified or State-licensed appraisers in two or more States, as described in § 34.212 of this subpart.

in the Proposed Rule) - but placed the definition in Section 1121, rather than within Section 1124 where the other minimum standards are found. Had Congress intended for the definition of an "appraisal management company" to be a minimum standard upon which states could build their own variations, it would have included the definition within Section 1124.

Establishing uniform definitions for these terms will ensure consistency in the determination of what entities are subject to the minimum standards on a state-by-state basis (and what entities are subject to registration with the National Registry that the Appraisal Subcommittee ("ASC") maintains).

B. Question 2: The Proposed Definition of an "Appraiser Network or Panel" and the Alternative of Defining Lowercase the Term to Include Both Employees and Independent Contractors

The Agencies have requested comment on the proposed definition of "appraiser panel" and on whether it should include both employee and independent contractor appraisers. The Proposed Rules define an "appraiser panel" as "a network or panel of licensed or certified appraisers who are independent contractors to the AMC." As discussed above, the size of an appraiser panel informs whether an entity qualifies as an AMC. The Proposed Rules provide that the relevant period for measuring panel membership may be either the calendar year or any other 12-month period that a state establishes. Furthermore, the Proposed Rules deem an appraiser to be a panel member "as of the earliest date on which the AMC: (1) affirms eligibility or acceptance of the appraiser for the AMC's consideration for future appraisal assignments; or (2) engages the appraiser to perform one or more appraisals on behalf of a creditor or secondary mortgage market principal."

I. Appraiser Panel Membership should be Defined by Engagement for a Specific Assignment

The Proposed Rules treat an AMC's approval of an appraiser to be considered for future assignments and its engagement of the appraiser for a specific assignment as equivalent events. In practice, approval and engagement are distinct actions that serve distinct purposes. An AMC's initial vetting and approval ("acceptance") of an appraiser is a generalized process intended to identify an individual who may be able to provide appraisal services to the entity's current and future clients (and, thus, who will enable the AMC to respond to changes in market conditions). The acceptance process includes, but is not limited to: (1) validating the appraiser's credentials, (2) determining the appraiser's competency, and (3) collecting all pertinent documentation. Completion of the acceptance process may require as little as one week and as long as a month, and results in the appraiser being eligible for engagement for future appraisal

assignment. There may be a significant delay between completion of the acceptance process and the AMC's engagement of the appraiser for specific assignments; in fact, it is possible that an appraiser who has been accepted will never receive an assignment from an AMC. By contrast, engagement for an appraisal assignment is a specific process intended to identify an appraiser who is available to respond to a client request and whose credential level, experience, and competence are appropriate to perform the services that the client has requested. Because it involves responding to an immediate client need, an AMC must complete the process of engaging an appraiser much more quickly than it must the process of accepting that individual.

The Agencies' proposed treatment of acceptance and engagement of appraisers as equivalent events appears to be rooted in Section 1121 of FIRREA, which defines an AMC, in relevant part, as an entity that oversees an appraiser panel "to contract with licensed and certified appraisers to perform appraisal assignments." Contracting may mean that the AMC and the appraiser sign a written contract signifying the AMC's acceptance of the appraiser's credentials and qualifications and the appraiser becoming eligible to receive assignments from the AMC. Contracting may also mean that the AMC engages the appraiser for the performance of a specific appraisal assignment by entering into an agreement that sets forth the scope of work and the client's instructions, and that the appraiser accepts the agreement. The FAIR Coalition believes that the use of "contracting" in this definition accurately reflects the ways in which an AMC and an appraiser may interact. However, the fact that an AMC and an appraiser may engage in two forms of contracting does not mean that those forms - acceptance and engagement - create the same relationship between those two parties. Accordingly, the FAIR Coalition requests that the Agencies recognize the distinction between the two processes, and establish by rule that an AMC's appraiser panel should include only those appraisers that it has engaged for a specific appraisal assignment within the previous year.

This request is a matter not only of semantic distinction, but also of business impact. Under the Proposed Rules, appraiser panel size informs: (1) whether an entity meets the definition of an AMC, and (2) what fee an AMC must pay to the ASC's National Registry pursuant to Section 1109 of FIRREA.[3] The Agencies have expressed concern that AMCs may reduce or underreport the size of their appraiser panels in order to avoid being subject to registration with the states. Although the FAIR Coalition cannot discount the possibility that some entities may attempt to evade regulation in this manner, it is more concerned with the impact that payment of the National Registry fee

[3] Section 1109 requires a state to collect from an AMC "$25 multiplied by the number of appraisers working for or contracting with such company in such State during the previous year. . . ." 12 U.S.C. § 3338(a)(4)(B)(i).

would have on AMCs under the Agencies' proposed method of determining appraiser panel membership.

Payment of the ASC National Registry Fee should be based on the number of appraisers that an AMC actually engaged to perform assignments for the AMC during a calendar year. If the Agencies adopt the current proposed definition, AMCs may respond by reducing the number of appraisers accepted for vetting and relying more heavily on a smaller group of appraisers to which it can assign appraisals on a regular basis. In turn, that approach will negatively impact AMCs' ability to respond to appraisal requests, particularly in geographic areas in which the AMC has less frequent demand for appraisals (i.e., rural areas). As a general matter, AMCs will be less well equipped to respond to client needs if they vet and approve appraisers only after the receipt of an appraisal order. Delay of the approval process will delay the provision of the appraisal to the client and the completion of the underlying consumer loan transaction.

Effectively, in failing to distinguish between acceptance and engagement, the FAIR Coalition believes that the Proposed Rules would penalize AMCs who vet a large number of appraisers to anticipate the needs of existing and potential clients. While the FAIR Coalition supports the payment of the ASC National Registry fee to support the registration and supervision of AMCs, we do not believe it necessary for AMCs to pay the fee for appraisers to whom they have made no assignments in the previous year. An AMC's interaction with appraisers has no impact on consumers or lenders until an AMC engages an appraiser to perform a specific appraisal assignment, so payment of the fee for an appraiser who may not perform any specific assignments serves no apparent purpose. Accordingly, the FAIR Coalition requests that the Agencies define appraiser panel membership by engagement for a specific assignment, and provide for the assessment of National Registry fees accordingly.

II. Establishing The Calendar Year as the Measurement for Determining Panel Membership will Facilitate AMCs' Compliance and State Supervision and Reporting

The FAIR Coalition urges the Agencies to use the calendar year to measuring appraiser panel membership. Use of the calendar year would be most logical, as it would mirror the ASC's existing requirement for reporting to the National Registry.

Adoption of a uniform standard will facilitate the inclusion of AMC reporting to the registry even in states that have different license renewal timelines for both AMCs and appraisers (as they frequently do). Absent a single standard, variations in license renewal timelines would undermine consistent identification of the entities subject to the Agencies' minimum standards. Moreover, the FAIR Coalition believes that the absence of a single standard could thwart the ASC's efforts to enforce fee and reporting

obligations, which are dependent upon states' possession of correct information about AMC panel sizes. Leaving each state to select its own time period for measuring panel membership would increase the burden on state appraiser boards to maintain current information on AMCs and to report it to the ASC. Given the issues that could arise without a uniform time period for measuring appraiser panel membership, the FAIR Coalition requests that the Agencies select the calendar year as the relevant period. As an alternative, the FAIR Coalition requests that the Agencies provide guidance as to how an AMC should measure its panel under varying state reporting periods for panel membership.

III. *By Defining "Independent Contractor," the Agencies can Provide Clarity Lacking in State AMC Laws*

The Agencies' final request in Question 2 is whether to define the term "independent contractor," and if so in what manner. The FAIR Coalition believes that definition of the term may not be necessary if the Agencies' change their current position on the regulation of appraisal firms (discussed in response to Question 3, below). Absent such change, the FAIR Coalition supports adding a definition of "independent contractor" to the Proposed Rules, and would suggest using the definition found in the Internal Revenue Service's standards to clarify the relationship between an employee and an independent contractor. Although many state AMC laws use the term "independent contractor," few define it. The lack of definition creates uncertainty for AMCs that conduct operations in more than one state (who need to be able to calculate appraiser panel membership to comply with state law reporting requirements and the payment of the ASC National Registry fee), for states (who need to be able to determine which entities are subject to registration and supervision as AMCs), and for the ASC (which requires certainty to be able to audit states to determine the sufficiency of their AMC registration and supervision programs).

C. Question 3: The Distinction between Employees and Independent Contractors as a Basis for Exclusion of Appraisal Firms from the Definition of an AMC

The Agencies requested comment on the distinction the Proposed Rules draw between employee and independent contractor appraisers. The distinction would inform the determination of whether an entity qualifies as an AMC, and would support the exclusion of appraisal firms from regulation as AMCs. Among the reasons the Agencies set forth as supporting the distinction are: (1) the fact that a majority of state AMC laws define an AMC as an entity that engages independent contractor appraisers, and (2) that under Section 1121 of FIRREA, the activities of an AMC do not include the performance of appraisals.

The FAIR Coalition believes that it is the services that an entity provides, and not the name under which it provides those services, that should trigger application of the Agencies' minimum standards. In the words of CFPB Director Richard Cordray (in prepared remarks at the Federal Reserve Bank of Chicago on May 9, 2014): "Whatever you think about government regulation, it cannot work in a piecemeal or patchwork manner, by having a system that addresses some competitors while leaving others alone."

Equal treatment of entities engaged in appraisal management is necessary to protect consumers, further the purposes for which the Dodd-Frank Act was enacted, and ensure a level playing field for AMCs and appraisal firms. Thus, the FAIR Coalition requests that the Agencies define an "appraiser panel" to include both employees and independent contractors and include appraisal firms engaged in providing "appraisal management services" within the scope of the minimum standards. In keeping with the request, FAIR also supports including a definition of "independent contractor" in the Agencies' final rule.

I. Uniform Treatment of Entities Providing Appraisal Management Services is Necessary to Protect Consumers and to Ensure the Integrity of the Appraisal Process

Ensuring both the equal protection of ail consumers whose homes are appraised in connection with consumer credit transactions and of the integrity of the appraisal process requires regulating all entities engaged in providing appraisal management services, not only those that are AMCs in name.

To that end, it is important to recognize that TILA and FIRREA do not distinguish between an AMC and an appraisal firm with regards to their protections of the appraisal process. For instance, the appraisal independence violations that Section 129E of TILA prohibits (including "seeking to influence an appraiser or otherwise to encourage a targeted value in order to facilitate the making or pricing of the transaction") apply without regard to whether the appraiser is engaged through an AMC or an appraisal firm.[4] As the Agencies' Proposed Rules support the appraisal independence standards of TILA, FIRREA, and the Dodd-Frank Act, the FAIR Coalition believes that the

[4] For instance, the provision regarding customary and reasonable fees applies to a "fee appraiser," meaning: (1) "[a] natural person who is a state-licensed or state-certified appraiser and receives a fee for performing an appraisal but who is not an employee of the person engaging the appraiser"; or (2) "[a]n organization that, in the ordinary course of business, employs state-licensed or state-certified appraisers to perform appraisals, receives a fee for performing appraisals, and is not subject to the requirements of section 1124 of [FIRREA (12 U.S.C. § 3353)]. 12 C.F.R. § 1026.42(j).

Agencies should take the same approach as those statutes and apply the minimum standards equally to both types of entities.

Second, the FAIR Coalition understands that one reason the Agencies propose to differentiate AMCs from appraisal firms is that Section 1121 of FIRREA does not define the activities of an AMC to include the performance of appraisals. It is true that AMCs do not perform appraisals; neither do appraisal firms. The reason for this is simple: AMCs and appraisal firms are entities, whereas only a (licensed or certified) individual may perform and sign an appraisal. AMCs and appraisal firms obtain appraisals for clients, differentiated only by their employment relationship to the appraisers who perform those assignments. However, states license and certify individuals to perform appraisals without regard to whether the individual is an employee of an appraisal firm or an independent contractor to an AMC. Congress reflected this focus on the individual when enacting the Dodd-Frank Act. As the Agencies explore in the preamble to the Proposed Rules, Section 1473 of that law states that one function of AMCs is to "contract with State-certified or State-licensed appraisers to perform appraisal assignments." (To that end, and in keeping with the Agencies' discussion of hybrid entities, we note that the "State-certified or State-licensed appraisers" with whom many AMCs currently registered under state law contract include both independent contractor and employee appraisers to perform appraisal activities.) In the FAIR Coalition's review, Congress did not need to identify the performance of appraisals as a function of AMCs because it understood that in protecting the consumer, the business structure of the entity that engages the appraiser is irrelevant.

Although AMCs (and appraisal firms) cannot perform appraisals, appraisal firms may perform every function included in FIRREA's definition of an AMC: (1) recruiting, selecting, and retaining appraisers; (2) contracting with appraisers to perform appraisal assignments; (3) managing the process of having an appraisal performed (including assigning and receiving orders, performing quality control, and collecting fees from creditors and distributing them to appraisers); and (4) reviewing and verifying the work of appraisers. Despite the similarity, the Proposed Rules would not impose the same background requirements on the owners of appraisal firms that it does on AMC owners. For example, a convicted felon could operate and provide appraisal services if associated with an appraisal firm, although the same felon could not if associated with an AMC. As the focus of the Agencies' Proposed Rules is ensuring the regulation of those services, when performed in connection with consumer credit transactions secured by consumers' principal dwellings, the FAIR Coalition believes that the prudent approach is to apply the standards equally to all providers of such services, regardless of whether the appraisers share an employer/employee or principal/independent contractor relationship with the entities on whose behalf they are acting.

Third, and most importantly, providing state oversight of AMCs but not of appraisal firms will not result in a benefit to consumers or lenders. The FAIR Coalition believes that consumers and lenders are entitled to receive a credible appraisal from a qualified appraiser, regardless of whether an employee or an independent contractor performs the appraisal. The Agencies' proposal suggests the opposite: that consumers and lenders are entitled to protection only when an AMC manages the appraisal process and not when an appraisal firm is involved. The preamble to the Proposed Rules suggests that AMCs may attempt to avoid registration by improperly characterizing independent contractors as employees. While the members of the FAIR Coalition are not aware of any instances of such evasion, they can cite a growing number of appraisal firms that engage independent contractors. These entities may create a separate legal entity to manage independent contractors while relying on the employee appraisers to perform certain management functions, or may even route appraisal orders through the appraisal firm so that it appears that only employee appraisers perform appraisal assignments. Having one regulatory scheme for AMCs and none for appraisal firms will create incentives for entities to structure their operations in a similar manner, avoiding registration and the undertaking of consumer protection that comes with it. In the FAIR Coalition's view, the Proposed Rules would unintentionally encourage entities to avoid registration through creative structuring of their operations.

II. State AMC Laws' Focus on Independent Contractors Reflects a Bias against AMCs and a Tradition of Smaller Appraisal Firms

As discussed above, one of the Agencies' stated reasons for differentiating independent contractors from employee appraisers is the fact that the majority of state AMC laws currently make such a distinction. While the FAIR Coalition does not dispute the accuracy of that assertion, the context of the fact must be considered. Many state AMC laws originated with appraiser organizations wary of the rise of the appraisal management industry, and the state's attempting to protect appraisers and appraiser-owned firms from competition by AMCs. Defining an AMC by reference to its engagement of independent appraisers was necessary under the circumstances to further these protectionist aims.

Many state laws – and even the Dodd-Frank Act – also reflect the traditional structure of appraisal firms, by excluding from the definition of an AMC an entity that engages 15 or fewer appraisers in a state or fewer than 25 appraisers on a national basis. Historically, appraisal firms have been small entities, owned by a single appraiser and employing a small group of appraisers to perform appraisals within a limited geographic market. As the mortgage lending market became national in scope, many appraisal firms expanded

accordingly – with ownership evolving from sole proprietorships to limited liability partnerships or corporations and with the number of employees growing significantly. In size and character, many appraisal firms today more closely resemble AMCs than they do their predecessors and peers who operated in smaller markets[5]. Thus, the FAIR Coalition requests that the Agencies consider both the historical context for treating AMCs and appraisal firms differently under state law, and the fact that the traditional distinctions between the two types of entities are fading when deciding how to treat appraisal firms under the Proposed Rules.

III. Exempting Appraisal Firms from Regulation Restricts Competition in the Appraisal Management Market

The FAIR Coalition believes that exempting appraisal firms from the requirements applicable to AMCs will negatively impact competition in the appraisal management market. First, to the extent that only AMCs are subject to state registration requirements, they are at a significant disadvantage because of the costs and regulatory compliance burden that accompany registration. At a minimum, AMCs subject to registration have increased business costs, which they must either pass through to consumers or absorb from revenue. Second, registration requirements create a barrier to market entry. An AMC entering a new market must submit an application, pass a background investigation, and provide a number of disclosures; the entity cannot commence operations in the state until the appraisal board approves its application. An appraisal firm can provide immediate service upon entry into a new state, provided that it has employees licensed under the state's appraiser law. These impacts on AMCs indirectly affect consumers and lenders, who rely on AMCs to play a valuable role in facilitating and ensuring the integrity of the appraisal process.

D. Question 6: The Proposed Minimum Requirements for State Registration and Supervision of AMCs

I. Making States' Registration of AMCs Voluntary, Rather than Mandatory, Runs Contrary to the Intent of the Dodd-Frank Act

The FAIR Coalition requests that in finalizing the Proposed Rules, the Agencies require states to enact laws implementing the minimum standards or, alternatively, require the ASC to regulate AMCs operating in any states that fail to adopt an acceptable program for the registration and supervision of AMCs.

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[5] Because many appraisal firms and AMCs are privately held companies, comparable metrics on the number of appraisals performed by each type of entity each year and on relative amounts of revenue and profit are not readily available.

The legislative history indicates that Congress intended the AMC-related provisions of the Dodd-Frank Act (which amend Title IX of FIRREA) to mirror the existing framework that governs the licensing and certification of appraisers. At the time Dodd-Frank was enacted, the current landscape for the state licensing and certification of appraisers was a 50 state regime. The FAIR Coalition asserts that the 50-state regime for appraiser certification and licensing that was in place at the time Dodd-Frank was enacted served as a very important backdrop for the changes Congress created regarding the registration of AMCs. We assert Congress intended that the registration of AMCs would be implemented in every state just as the parallel provisions of FIRREA were enacted for appraiser licensing and certification agencies by 2010 at the enactment of Dodd-Frank.

In its report on H.R. 4173, the House Committee on Financial Services stated, "[The Committee d]irects designated federal financial regulatory agencies, including the Federal Reserve Board and the CFPB, to jointly establish, by rule, minimum requirements a state **must apply** in the registration of appraisal management companies [emphasis added]."

The legislative structure of the Dodd-Frank Act confirms that Congress was aware of the current voluntary nature of the establishment of state appraisal licensing and certification boards and the fact that no penalty was necessary at the time of enactment in 1989 of FIRREA in order to compel states to undertake the activity due to the resulting prohibition from federally related transactions for lack of action. However, at the time of passage of the Dodd-Frank Act, every state had established an appraiser licensing and certification process and board, which should not be overlooked in this rulemaking. To argue that the registration of AMCs is voluntary, as the Proposed Rules do, ignores the critical reality of the regulatory environment in the valuation of residential properties, namely, that a national framework should exist in the mortgage market for federally related transactions. When read in combination, the appraisal independence requirements and the recognition of the value of AMCs in the marketplace that the Dodd-Frank Act created means that Congress did not intend to exclude AMCs from the marketplace by allowing states to effectively prohibit AMCs from doing business in a state that is unable or unwilling to enact these minimum standards in the necessary timeframe.

As a result, the FAIR Coalition requests that the Proposed Rules implement the AMC registration provisions of the Dodd-Frank Act as indicated by the clear intent of Congress by requiring states to enact laws implementing the minimum standards or, alternatively, require the ASC to regulate AMCs operating in any states that fail to adopt

an acceptable program for the registration and supervision of AMCs within the given time period.

II. Failure of States to Register AMCs will Adversely Impact AMCs, Consumers, and Lenders

The impact on AMCs of a state's failure to create a registration program is obvious from the text of the Proposed Rule: entities subject to state regulation will be unable to perform services in connection with federally regulated transactions in those states. AMCs whose business opportunities are reduced as a result will engage fewer appraisers, may lay off employees, and could even exit the market entirely. The threat is greatest to small- to medium-sized AMCs, who may not be economically viable if they cannot provide services in key states.

The impact on consumers and lenders is less obvious, but no less important. Nationally, many lenders rely on AMCs to manage the appraisal process. In states lacking a registration program, lenders could only use "federally regulated AMCs," significantly reducing the vendors through which they could fulfill appraisal needs. Having fewer entities available to fulfill appraisal orders would likely increase the time and cost of ordering an appraisal, and, in turn, of completing consumer loan transactions. (The situation would be exacerbated if AMCs begin to exit the market because of lost opportunities in key states.) Internalizing appraisal processes could also increase lenders' costs (resulting in additional fees being passed through to consumer) and delay the closing of loan transactions. Consumers, lenders, and state regulators would lose the benefit of having AMCs provide additional oversight of appraisers and additional insulation against influence of the appraisal process.

As a final note, the FAIR Coalition believes that a state's choice not to register AMCs would put federally regulated AMCs at a significant competitive advantage. Such entities would remain eligible to provide appraisal management services for federally regulated transactions in such a state. In essence, by opting out of a registration and supervision program, a state appraiser board might inadvertently shift additional business to federally regulated AMCs in the state.

III. Granting the ASC Authority to Regulate AMCs in States that Choose not to Enact a Regulation and Supervision Program May Alleviate Unintended Consequences

If the Agencies decline to mandate that states register and supervise AMCs, the FAIR Coalition respectfully requests that the ASC be designated as the supervisor of any

AMC operating in a state that has not adopted a sufficient program. To grant such authority to the ASC would be consistent with the Agencies' proposal that the ASC should manage all information that a federally regulated AMC must report to a state for the AMC National Registry if the state lacks a reporting mechanism. Permitting the ASC to fulfill the role that a state appraisal board would otherwise serve would alleviate or eliminate the negative consequences discussed above (including decreased competition and delays and increased costs in the mortgage lending process).

IV. *The Proposed rules should Correctly reflect the Requirements of Section 129E of TILA*

The FAIR Coalition requests that the agencies amend the language of the proposed rules concerning compliance with Section 129E of TILA to be consistent with the requirements of the underlying provision of the Dodd-Frank Act. The current rule language diverges from the statutory language, resulting in a significantly different impact than Congress intended.

As discussed above, the proposed rules obligate each state registering AMCs to require that each such entity "[e]stablish and comply with processes and controls reasonably designed to ensure that the AMC conducts its appraisal management services in accordance with the requirements of section 129E(a)-(i) of the truth in lending act, 15 U.S.C. 1639E(a)-(i), and regulations thereunder." By contrast, Section 1124(a)(4) of FIRREA, as amended by the Dodd-Frank Act, sets forth this minimum standard as mandating that AMCs "require that appraisals are conducted independently and free from inappropriate influence and coercion pursuant to the appraisal independence standards established under section 129E of the Truth in Lending Act." Thus, the proposed rules make two notable departures from the statutory text: (1) the substitution to "ensure" for "require"; and (2) the substitution of "appraisal management services" for "appraisals." These substitutions vastly change the impact of the proposed standard.

The appraisal independence requirements of Section 129E apply to creditors and to any "person that provides settlement services," to include both appraisers and AMCs. Accordingly, the language of Section 1124(a)(4) recognizes that an AMC's responsibility in upholding those standards is to "require that appraisals are conducted independently and free from inappropriate influence and coercion" - meaning that other parties to the transaction, including the creditor and the appraiser, share in this responsibility - rather than ensuring only that its own services satisfy those standards. The FAIR Coalition believes that the proposed rules should accurately reflect the manner in which Section 129E of TILA prohibits coercion, mischaracterization, and conflicts of interest by a creditor, appraiser, or an AMC in connection with the preparation of an appraisal. Accordingly, the FAIR Coalition requests that the agencies include in their rule text the language of Section 1124(a)(4) of FIRREA, providing for broader appraisal

independence and consumer protections as congress intended in the Dodd-Frank Act. Otherwise, the Proposed Rules will reassign solely to AMCs responsibility that all covered persons in an appraisal transaction should share.

V. Clarification of the Authority of State Appraiser Boards to Interpret and Enforce Section 129E of TILA is Necessary to Protect the Structure that the Dodd-Frank Act Created

The Proposed Rules would require each state registering AMCs to impose on non-federally regulated AMCs the requirement to "[e]stablish and comply with processes and controls reasonably designed to ensure that the AMC conducts its appraisal management services in accordance with the requirements of section 129E(a)-(i) of the Truth in Lending Act, 15 U.S.C. 1639e(a)-(i), and regulations thereunder."[6] While the FAIR Coalition believes that this standard is important to ensuring fulfillment of the purposes of the Dodd-Frank Act, we are concerned that states may misconstrue it. Over the course of the past four years, at least three states[7] have proposed or enacted legislation purporting to grant their appraisal boards the authority to interpret and to enforce Section 129E of TILA - most commonly the provisions relating to customary and reasonable fees, found in Section 129E(i). These efforts have been at the very least inconsistent with, and more often in conflict with, the FRB's Interim Final Rule implementing Section 129E pursuant to Title 14 of the Dodd-Frank Act.[8]

State appraiser boards have a limited enforcement role under TILA. Two provisions of TILA address the entities entitled to bring an action in response to a violation of its appraisal independence standards neither of those sections expressly creates an enforcement role for state appraiser boards.[9] However, in enacting the Dodd-Frank Act, Congress considered that states will participate in ensuring that its provisions were upheld. Specifically, Section 1042 of the law, which preserves states' powers in light of the creation of the CFPB, permits a state regulator to "bring a civil action or other

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[6] 12 C.F.R. § 34.213(b)(5) (proposed).

[7] Those states are: (i) Kentucky (proposed rules, 2010); (ii) Louisiana (enacted legislation, 2012, and adopted rules, 2013); and (iii) Mississippi (proposed legislation, 2013).

[8] The FRB's interim final rule took effect on April 1, 2011; authority to enforce TILA was transferred to the CFPB subsequent to its assumption of regulatory and enforcement powers in July of that year.

[9] The first section of TILA that address this issue is Section 129E provides that "in addition to the enforcement provisions referred to in section 130," each person that violates Section 129E is liable for a civil penalty of up to $10,000 for each day of the violation, and up to $20,000 per day for subsequent violations. "The agency referred to in section (a) or (c) of section 108 [of TILA]" - meaning the OCC, FRB, FDIC, NCUA, or CFPB, as applicable - is charged with assessing these civil penalties against creditors or their AMC agents. The second section is Section 130 of TILA, which addresses civil liability, permits the person injured by a violation of TILA to sue the creditor engaged in the violation. It further provides that state attorneys general may bring an action to enforce a violation of certain requirements of TILA, including Section 129E.

appropriate proceeding to enforce this title or regulations issued under this title[10] [with regard to state-licensed or state-chartered entity] and to secure remedies under provisions of this title or remedies otherwise provided under other provisions of law with respect to such an entity."[11] (State attorneys general also have express enforcement power under that section.) With limited exceptions for emergencies, the section requires a state attorney general or state regulator to consult with the CFPB (and any prudential regulator) by providing notice before initiating a court action or administrative or regulatory proceeding.[12]

As a result, the FAIR Coalition recognizes that under the Dodd-Frank Act, a state appraiser board may bring a judicial action against a state-registered AMC to enforce Section 129E of TILA to the extent that such law permits, or may bring an administrative action to enforce its own law.[13] However, the law does not grant authority to state appraiser boards to create their own interpretations of Section 129E as a part of exercising such enforcement powers. The Dodd-Frank Act does not provide carte blanche, but, in fact, limits the authority of the States to interpret TILA. Unfortunately, a few states have done just that, promulgating rules to address appraisal independence standards (particularly the customary and reasonable fee provisions) that are not consistent with the interpretation of Section 129E that the FRB set forth in its Interim Final Rule. The FAIR Coalition is concerned that if state appraiser boards attempt to enforce their own inconsistent interpretations of Section 129E, rather than the requirements of Section 129E and the Interim Final Rule, the result may be that each state creates its own standard for what constitutes compliance with TILA's appraisal

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[10] Although the "title" to which that provision refers it Title 10 of the Dodd-Frank Act, while the title under which Section 129E of TILA was enacted is Title 14, Section 1400 expressly provides that Section 1472 (which creates Section 129E of TILA) is considered an "enumerated consumer law" as defined in Title 10, and therefore "come[s] under the purview of [the CFPB] for purposes of title X." Furthermore, Section 1042 clearly states that it does not alter, limit, or otherwise affect the authority of a state attorney general or state regulator "to bring an action or other regulatory proceeding arising solely under the law in effect in that State." 12 U.S.C. §5552(d).

[11] Id. § 5552(a)(1).

[12] Id. § 5552(b). That prohibition does not "modify[], limit[], or supersede[e] the operation of any provision of an enumerated consumer law that relates to the authority of a State attorney general or State regulator to enforce such law," but it also does not create enforcement authority under a federal law under which a state attorney general or state regulator otherwise lacks a mandate. Id. § 5552(a)(3).

[13] By contrast, with very limited exceptions applicable to state attorneys general, state officials cannot bring civil actions against federally regulated financial institutions to enforce consumer protection laws. Id. § 5552(a)(2).

independence requirements. In extreme cases, an AMC complying with the federal rule might not satisfy a state's standard, triggering enforcement action.[14]

The FAIR Coalition does not believe that this is the result that Congress intended under the Dodd-Frank Act. TILA, which applies to creditors and their agents, is intended to ensure a national standard for appraisal independence that will support the operation of a safe and sound national banking system. If state appraiser boards interpret the statute through rulemaking, not only might AMCs have to navigate and reconcile more than 50 different sets of appraisal independence standards, but there will also be different standards within each state for creditors (against whom state appraiser boards cannot enforce TILA) and for their agent AMCs (who are subject to state enforcement). At the very least, the lack of consistency will increase the effort and cost involved in AMCs' compliance; furthermore, such uncertainty may negatively impact lenders and ultimately lead to higher appraisal costs for borrowers.

Because the Proposed Rules would require states to address compliance with Section 129E of TILA without providing guidance on the limits of their authority under the statute, we request that in their final rules the Agencies clarify to what extent state appraiser boards may interpret and enforce Section 129E of TILA. At a minimum, the FAIR Coalition asks the Agencies to recognize in their final rules the limits that Section 1042 of the Dodd-Frank Act places on regulators to bring enforcement actions under federal law.

VI. *AMCs Should Rely on the ASC National Registry to Validate Appraiser Credentials*

Under the Proposed Rules, an acceptable state program for the registration and supervision of AMCs would require an AMC to use only state-licensed or state-certified appraisers in connection with federally regulated transactions.[15] The FAIR Coalition supports this requirement, but requests that the Agencies clarify how an AMC may

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[14] As an example, in 2012 the Louisiana Real Estate Appraisers Board (the "Board") proposed rules under which an AMC would have had to select one of the two presumptions of compliance included in the FRB's Interim Final Rule to provide that it complied with the requirement under Section 129E to pay customary and reasonable fees to appraisers when providing services in connection with consumer credit transactions secured by the consumer's principal residence. The proposal ran contrary to the provisions of the Interim Final Rule itself, under which an AMC could use either presumption of compliance, but alternatively could establish that its fees were customary and reasonable "based on all of the facts and circumstances." 75 Fed. Reg. 66572 (Oct. 28, 2010). The Board's subsequent proposals, issued in 2013, did not expressly require use of either presumption of compliance, but incorporated elements of each presumption into the requirements with which registered AMCs were to comply. It was in that form that the Board's rule was adopted, meaning that an AMC that complies with federal law by demonstrating its payment of customary and reasonable fees through the totality of the circumstances may be deemed to violate Louisiana law.

[15] 12 C.F.R. § 34.213(b)(2) (proposed).

verify appraisers' credentials. Specifically, the FAIR Coalition supports use of the ASC National Registry as a means of satisfying the verification requirement. Given that most existing state AMC laws impose such a requirement, but that the laws do not consistently inform AMCs how they may fulfill their obligation to verify an appraiser's credential, the FAIR Coalition believes that identification of a uniform source for information will facilitate the verification process. Furthermore, the Agencies' clarification on use of the National Registry would be consistent with guidance provided in connection with the Rule on Appraisals for Higher-Priced Mortgage Loans.[16]

VII. *The Agencies should clarify How an AMC May Ensure that Appraisers Perform Assignments in Accordance with USPAP*

As one aspect of an acceptable state program for the registration and supervision of AMCs, the Agencies have proposed requiring AMCs to "[d]irect the appraiser to perform the assignment in accordance with USPAP." The FAIR Coalition requests that the Agencies provide guidance on how an AMC may demonstrate its compliance with this requirement. Given that USPAP compliance is unique to each appraiser and appraisal assignment, one approach would be for an AMC to obtain an attestation from an appraiser that he or she complied with the appropriate USPAP standards when completing the assignment. This approach would be in keeping with the safe harbor established under the Rule on Appraisals for Higher-Priced Mortgage Loans, in which the federal banking regulators expressed concern that "practically speaking a creditor might not be able to determine with certainty whether an appraiser complied with USPAP for a residential appraisal." Accordingly, that rule obligates a lender engaging an appraiser to: (1) order the appraiser to perform the appraisal in conformity with USPAP, and (2) require the appraisal to include a certification signed by the appraiser that the appraisal was prepared in accordance with the requirements of USPAP.[17] Adoption of that standard would not only promote consistency in federal regulation of the appraisal process, but would assist states in defining how an AMC must meet its minimum standards.

VIII. *The Agencies should clarify Background Investigation Requirements for AMC Owners*

The FAIR Coalition urges the Agencies to clarify their proposed standards for background investigations of AMC owners. The Proposed Rules would prohibit an entity other than a federally-regulated AMC from being registered by any state if any person owning more than 10 percent of the AMC fails to submit to a background investigation conducted by the state appraiser certifying and licensing agency. In

[16] 12 C.F.R. §§ 226.42, 34.201-34.203, 164.20-164.21, 1026.35.
[17] E.g., id. § 1026.35(c)(3)(i) i

connection with that requirement, the FAIR Coalition requests that the Agencies consider:

- Clarifying whether only direct (first-level) owners are subject to the background check requirement, or whether the duty to investigate extends to individuals with an indirect ownership interest. States vary in their approaches to the issue, with some requiring verification of any person who owns at least a five percent interest, whether direct or indirect. State regulators also may lack understanding of corporate structures and relationships, amplifying the need for clarification. Particularly to the extent that an AMC may be owned by a publicly traded company, guidance on this requirement would facilitate compliance by AMCs.

- Clarifying that voluntary surrenders of an appraiser or AMC credential do not preclude an individual from passing a background investigation. The FAIR Coalition believes that, absent pending disciplinary action, a person should be able to voluntarily cancel an appraiser license without undermining his or her ability to satisfy background check requirements.

- Clarifying that only natural persons are subject to the background check requirement. The Proposed Rules expressly or impliedly subject "any person" to the requirement without clarifying whether the term "person" refers only to an individual or also to a business entity. Given the nature of the investigation involved, the FAIR Coalition requests confirmation that the requirement be limited to natural persons.

- Requiring state appraisal boards to perform background checks only at a defined interval (i.e., every five years), to be consistent with the timing of similar requirements applicable to appraisers.

- Recommending a uniform process for background checks of appraisers and owners of AMCs, facilitating states' satisfaction of their obligations and reducing the associated expenses.

- Clarifying whether a state appraisal board must conduct its own background investigations or whether it may rely on a universal check. By identifying a standard background investigation format that all states could accept, the Agencies could reduce the burden that the conduct of background investigations otherwise imposes on states.

- Establishing static background investigation requirements rather than minimum standards for the states to develop as they wish. As discussed in Section II.A above, the fact that background requirements do not appear in Section 1124 (a) or (b) of FIRREA supports an argument that issues in the Proposed Rules other than the four relating to the adequacy of a states' AMC registration and supervision program are not minimum standards.

E. Question 7: The Agencies' Exclusion of Review from the Proposed Rules

The Agencies exclude appraisal review standards from the Proposed Rules in light of the requirement under Section 1110 of FIRREA that they engage in a separate rulemaking to require "appropriate" review for compliance with USPAP in connection with federally regulated transactions. The FAIR Coalition does not challenge the need for the Agencies to prescribe review rules pursuant to Section 1110, but requests that the Agencies reconsider how reviews relate to the substance of the Proposed Rules.

As amended by the Dodd-Frank Act, FIRREA defines the services that an AMC provides to include "the act of reviewing and verifying the work of appraisers." AMCs play a critical role in ensuring that appraisals are credible and comply with applicable requirements. With AMCs conducting a wide range of review processes (e.g., USPAP Standard 3 reviews, quality control reviews), and without a clear standard for the conduct of such activity, much confusion surrounds the issue of appraisal review (e.g., scope and definition, applicable licensing requirements). The majority of states with AMC laws impose review obligations (usually in the form of numeric thresholds), although they draw no connection between such requirements and increased quality and accountability in the appraisal process. Given the number of states that address review in their AMC laws, we request that the Agencies revisit the issue. At a minimum, the FAIR Coalition requests that the Agencies consider distinguishing between the "review" activities that are an intrinsic part of AMC activity (as reflected in the Agencies' proposed definition of an "appraisal management company") and more substantive reviews (to satisfy either a state registration requirement or to provide services for a creditor subject to Section 1110 of FIRREA). The FAIR Coalition also requests that the Agencies provide static definitions for such terms, rather than expressing them as minimum standards, to provide certainty for AMCs and regulators.

F. Question 9: Challenges to State Implementation of the Proposed Rules within 36 Months after Adoption

States' compliance with the requirements of the Proposed Rules will depend first and foremost on guidance from the ASC. Although the Agencies have set forth in considerable detail the standards that a state must incorporate into its program for

registering and supervising AMCs, they have provided little guidance on the practical implementation of the Proposed Rules' requirements. Unless states receive such guidance well in advance of the deadline for implementation of the minimum standards, they will be ill-prepared to meet that deadline. Additionally, states' ability to report information on and collection fees from AMCs will depend on the ASC being prepared to accept such submissions. The FAIR Coalition is concerned that the ASC may not have time to develop and implement a submission mechanism for the National Registry prior to the finalization of the Agencies' minimum standards.

Both sets of concerns focus on the preparedness of the ASC. Given that the availability of structure and interpretive guidance from the ASC will determine the success of the states in implementing the Agencies' requirements and of the ASC in helping supervise AMCs, the FAIR Coalition respectfully requests that the Agencies not begin to toll the 36-month period for states to adopt the minimum requirements until the ASC has established a functioning AMC National Registry and has provided the necessary guidance to state appraisal boards on implementation of the minimum standards. Such a delay should help to ensure an orderly transition to the National Registry and that the ASC is positioned to support the efforts of states in registering and supervising AMCs.

G. Question 10: Barriers to States' Collection and Submission of information on Federally Regulated AMCs to the ASC

In the FAIR Coalition's view, difficulty in identifying the entities subject to state regulation – whether because of their ownership by federally regulated financial institutions or because of their engagement of employee appraisers – presents the greatest barrier to state appraisal boards' cooperation with the ASC under the Proposed Rules. Without certainty as to the entities from which they must collect fees and on which they must report, state appraisal boards will be ill positioned to facilitate the ASC's work. Moreover, attempting to fulfill their collection and reporting responsibilities will require the expenditure of additional time and resources by agencies whose capacity is already limited.

I. The Agencies should clarify What Entities are Federally Regulated AMCs

To avoid issues with states' reporting to the ASC, the FAIR Coalition requests that the Agencies clearly indicate what entities qualify as "federally regulated AMCs," to include defining the terms "owned and controlled" and "insured depository institutions." At a minimum, the FAIR Coalition requests that the Agencies' final definition of a "federally regulated AMC" is consistent with the language of Section 1124(c) of FIRREA.

The proposed definition of a "federally regulated AMC" requires an entity to be: (1) an insured depository institution (as defined in 12 U.S.C. 1813 to mean a bank or savings association whose deposits are insured by the FDIC) or an insured credit union, (as defined in 12 U.S.C. 1752 to mean a credit union whose deposits are insured by the NCUA); and (2) regulated by the OCC, the FRB, the NCUA, or the FDIC. Under this definition, only subsidiaries of national banks, savings banks, and credit unions would be eligible for designation as "federally regulated AMCs." By contrast, in the preamble to the Proposed Rules the Agencies discuss the fact that "section 1124 [of FIRREA] provides that AMCs that are owned and controlled subsidiaries of an insured depository institution, an insured credit union, or a bank holding company and regulated by a Federal financial institutions regulatory agency, are not required to register with a State," although these "[f]ederally regulated AMCs are . . . subject to the same minimum requirements as AMCs that are not regulated by a Federal financial institutions agency" (emphasis added). Given the discrepancy between Section 1124 of FIRREA and the proposed definition of a "federally regulated AMC," as well as the discrepancy within the text of the Proposed Rules, the FAIR Coalition requests that the Agencies clarify whether subsidiaries of bank holding companies are also eligible for the designation.

Clarification of what entities qualify as "federally regulated AMCs" is particularly necessary in light of the varying exemptions that existing state AMC laws provide. Although many laws expressly exempt from registration an AMC that is an owned and controlled subsidiary (or a wholly owned and controlled subsidiary) of a financial institution regulated by a federal financial institutions regulatory agency, not all define the term "financial institution" to make clear which entities are eligible for the exemption. Others appear to exempt only subsidiaries of state-chartered institutions, and some provide no such exemption whatsoever. As a result, there is no consistency as to whether subsidiaries of federally regulated financial institutions are subject to registration by the states. By more clearly defining the terms "federally regulated AMC," and "owned and controlled" the Agencies can provide certainty for those entities (and their parent institutions), as well as for state regulators (who would otherwise have to devote significant resources to identifying and supervising such AMCs, including when reporting information to the ASC).[18]

[18] Easy identification of AMCs exempt from registration under state laws because of their ownership by a federally regulated financial institution also will benefit appraisers. Many state appraiser laws prohibit licensees from performing appraisal assignments for AMCs not registered under the laws of the state, or require an AMC to include in an appraisal report an AMC's registration number, without providing a means for the appraiser to discern whether an AMC is exempt from registration.

II. *The ASC should administer the Minimum Requirements for Federally Regulated AMCs*

As we mention above, states vary significantly in their approach to regulating AMCs that are subsidiaries of financial institutions – to include entities that would qualify as "federally regulated AMCs" under the Agencies' proposed definition. By designating the ASC to manage the administration of the minimum standards to federally regulated AMCs, the Agencies can ensure that such entities receive consistent treatment throughout the country. (The alternative would leave them subject to the whims of states that could, but might not, adopt reporting requirements for Federally regulated AMCs.) Amendment of Section 34.214(b) of the Proposed Rules could establish this authority.

Shifting responsibility for supervision of Federally regulated AMCs from states to the ASC will relieve the burden on state appraiser boards, provide predictability to the ASC in its discharge of duties, and ensure that AMCs are subject to consistent standards. Absent the shift, the FAIR Coalition is concerned that states will be unprepared to develop new processes to manage delivering information on Federally regulated AMCs to the ASC, which could negatively impact the ASC's ability to manage such information.

III. *The ASC Can eliminate Confusion by providing a Definitive Statement of Whether an Entity is Subject to State Registration*

To guide the ASC's registration of AMCs, to facilitate state appraisal boards' performance of supervisory responsibilities, and to provide clarification for AMCs themselves, the FAIR Coalition asks that the Agencies require the ASC to provide a mechanism for entities to seek an ASC determination as to whether an entity meets the definition of an AMC (and, thus, is subject to state registration) or whether it is exempt, and to make the determination publicly available. FAIR believes that such activity would fall under the rulemaking authority the ASC Advisory Committee possesses to establish and maintain the National Registry, and that it would help the ASC to maintain accurate information on registry fees and other AMC metrics.

H. Question 11: Differences between State Laws and the Proposed Rules

In its comments above, the FAIR Coalition has highlighted a few of the ways in which existing state AMC laws vary from the Proposed Rules – and from each other (e.g., the availability of exemptions for subsidiaries of federally regulated financial institutions, the

imposition of appraisal review requirements). Recognizing that the Agencies were instructed to create minimum (rather than uniform) standards for the states to employ when regulating AMCs, the FAIR Coalition requests only that the Agencies consider whether the final rules could minimize the compliance burden that a 50-state regulatory scheme imposes on AMCs doing business on a national level.

III. CONCLUSION

The FAIR Coalition believes that the Agencies' Proposed Rules reflect a thoughtful effort to implement the appraisal independence and appraisal management provisions of the Dodd-Frank Act. However, the FAIR Coalition urges the Agencies to address the concerns raised above before finalizing these rules to ensure successful implementation of these minimum standards. If you have any questions about the comments herein, please do not hesitate to contact us.

Thank you for your consideration.

Sincerely,

THE COALITION TO FACILITATE APPRAISAL INTEGRITY REFORM