



November 29, 2006

The Honorable Christopher Dodd  
Ranking Member  
Senate Banking Committee  
Room 534  
Dirksen Senate Office Building  
Washington, DC 20510

Dear Senator Dodd:

The Appraisal Institute, the American Society of Appraisers and the American Society of Farm Managers and Rural Appraisers are the three largest professional appraisal associations in the United States. We would like to extend our congratulations to you as you take the helm as the new chairman of the Senate Banking Committee next year.

As a senior legislator familiar with housing and banking issues, and as a lawmaker committed to ensuring those systems function with integrity, we write to you today with confidence that you are just as concerned as we are with the increase in mortgage fraud across the country. Mortgage fraud losses are now more than \$1 billion annually, and reporting of fraud through Suspicious Activity Reports has grown exponentially over the past five years, according to the Federal Bureau of Investigation.

For the past several years, our groups have been diligently working with Congress to find viable solutions to this problem. We strongly believe that any legislation addressing abusive mortgage lending practices must include reforms to the appraisal regulatory system, specifically to Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989. While appraisals are involved in only a portion of today's mortgage fraud activity, they oftentimes play a central role. Weaknesses in the current system are ignoring or perpetuating these problems, yet we believe these weaknesses can be addressed, should Congress make appraisal reform a priority.

As the 110<sup>th</sup> Congress commences, we hope the Senate Banking Committee will place the issue of mortgage fraud, and the accompanying issue of appraisal reform, on the top of its agenda. We encourage you to look to appraisal reforms that were offered by Rep. Paul Kanjorski (D-PA) and Sen. Barack Obama (D-IL) during the 109<sup>th</sup> Congress as a starting point for addressing this issue.

Our organizations are here to assist Congress in this effort. Please contact the Appraisal Institute's director of government affairs: Bill Garber, 202-298-5586 or [bgarber@appraisalinstitute.org](mailto:bgarber@appraisalinstitute.org).

Again, our congratulations to you on your new chairmanship.

Sincerely,

Appraisal Institute  
American Society of Appraisers  
American Society of Farm Managers and Rural Appraisers