



October 10, 2017

The Honorable Jodey C. Arrington
Chairman
House Veterans Affairs Committee Subcommittee on Economic Opportunity
U.S. House of Representatives
335 Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Arrington,

On behalf of the 19,000 Designated members, candidates and affiliates of the Appraisal Institute, we are writing to express concerns with H.R. 3561, to be considered by the House Committee on Veterans Affairs on October 12.

We understand the intent of the legislation is to authorize the Department of Veterans Affairs (VA) Fee Appraisers to utilize inspections performed by third parties (non-specific to appraiser trainees or property inspectors). We understand the VA intends to limit the provision to rural areas.

We believe the legislation would benefit from clarification on both points – for Congress to support the use of appraiser trainees over non-appraiser property inspectors, and for the program to be limited to its intent of dealing with rural appraisal situations. As introduced and considered by the Committee, the bill appears to authorize a much wider application than what is anticipated by the agency, potentially debasing the VA appraisal process. This is important considering likely unintended or unforeseen issues that might develop as the program evolves. For instance, issues relating to liability around the use of third party inspections will need to be clearly addressed by the VA for lenders, borrowers and appraisers. The liability impacts to appraisers utilizing non-appraiser inspections could be significant depending on how this issue is addressed by the VA. Clarifying the limitations of the allowance or explicitly authorizing the development of a pilot program would be preferable to the general language contained in the bill.

In the end, we continue to believe the bigger issues relating to VA appraisal turnaround times have: 1) largely resolved themselves as the VA has become more competitive with the conventional market in terms of appraisal fees; and 2) would be better addressed by a more aggressive recruitment effort where there are potential appraisal supply concerns. We are aware of many appraisers who are interested in joining the VA Fee Panel. Some have even submitted previous applications. In the end, we believe it would be far better for Veterans to have a wider pool of qualified appraisers than to have a watered down, or less reliable, appraisal process.

As such, we encourage the Committee to amend the bill to limit the inspection allowances to appraisal trainees operating under the supervision of a VA Fee Appraiser and limiting the application of the program by the VA to rural areas, consistent with the intent of the bill as we understand it. Further, we encourage the Committee to find ways to emphasize the need for more aggressive recruitment of qualified appraisers to the VA Fee Panel.

Thank you in advance for your consideration. The Appraisal Institute is happy to continue to work with your Committee to assist our Veterans. Should you have any questions, please contact Bill Garber, Director of Government and External Relations at 202-298-5586, bgarber@appraisalinstitute.org or Brian Rodgers, Manager of Federal Affairs, 202-298-5597, brodgers@appraisalinstitute.org if you have any questions or require additional information.

Sincerely,

Appraisal Institute