



January 17, 2020

Ms. Phyllicia Whittingham Okoba, MBA, CSPO  
Freddie Mac-Fannie Mae UAD Working Group  
1551 Park Run Drive  
McLean, VA 22102

Dear Ms. Whittingham Okoba:

Thank you for the opportunity to offer guidance on the proposed Sales Comparison Approach layout. Attached, please find specific comments from the Appraisal Institute.

We had several teams of people review the spreadsheet, and we are struck – even concerned – about the level of granularity being proposed. One of our teams literally ran out of time and energy within a dedicated work session in review of the spreadsheet. We do not think that bodes well for individual appraisers or appraisals should the GSEs finalize the dataset as proposed.

We recognize that all these fields may not be required or completed by appraisers; however, without any additional guidance to lenders, we fear that most lenders may default to the least common denominator (the full data request). This will certainly add time and complexity to appraisal assignments, serving to discount or disqualify any found efficiencies.

Here, we suggest that the UAD Work Group consider developing model flow charts or even phases (Phase 1, Phase 2, etc.) for broad categories for appraisal assignments – such as for high end homes, waterfront properties, tract housing, etc. This would help lender and appraiser communication and to avoid unnecessary overlays within appraisal assignment requests.

Further, the level of detail as proposed may hamper the appraisal process. Much of the information requested cannot be found in typical MLS systems available to appraisers today. Unless Fannie Mae and Freddie Mac agree to provide appraisers access to internal comp data, we anticipate that many appraisers will struggle to find a complete data set of comparable information. Extracting for adjustments on such a granular level may be entirely impossible and may not help with analysis by the appraiser. It would take years for even the most aggressive property data collection process to catch up to all of this. Lastly, we're unsure whether some of the data points even reflect the actions of buyers and sellers in the market. On this point, we believe it may run counter to reporting market value, as requested.

There are some facets of the layout/concept that we support – the idea of dynamic reporting is good. And it would be great for the process and reporting outputs to lead to a more credible opinion of value. However, as constructed, we fear that the proposed layout will serve to greatly complicate the appraisal process, create confusion, and potentially undermine the value proposition of the entire project.

Tangentially, we are concerned that appraisers will be forced to spend more and more of their time gathering data, rather than analyzing and opining on it; the latter being the most critical role of the appraiser in protecting the safety and soundness of our financial institutions and the public trust. In your effort to add another layer of responsibility (and associated liabilities) on appraisers, it is lenders and their customers who will bear the burden both in turn times and cost for appraisal services.

Sales Comparison Approach Layout  
January 17, 2020  
Page Two

This project is so immense and important – please continue to be thoughtful and deliberate as you take important steps forward, seeking feedback from residential practitioners at every step of the way. Please also continue to rely on the Appraisal Institute as a resource throughout this important endeavor.

For further information or to arrange a follow up discussion, please contact Bill Garber, Director of Government and External Relations at 202-298-5586, [bgarber@appraisalinstitute.org](mailto:bgarber@appraisalinstitute.org).

Sincerely,



Jefferson L. Sherman, MAI, AI-GRS

CC: Ms. Heather Kerns Haggerty, Fannie Mae  
Ms. Kasie Lynn, Freddie Mac

Attachment