



February 14, 2020

The Honorable Maxine Waters  
Chairwoman  
House Financial Services Committee  
2221 Rayburn House Office Building  
Washington DC 20515

The Honorable William Lacy Clay  
Chairman  
House Financial Services Committee  
Subcommittee on Housing, Community Development and Insurance  
2248 Rayburn House Office Building  
Washington DC 20515

Dear Chairs Waters and Clay:

On behalf of the more than 17,000 Designated members, candidates and affiliates of the Appraisal Institute, thank you for your request to the Government Accountability Office (“GAO”) for a comprehensive study of the implementation of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (“FIRREA”).

As we have discussed with you and your staff, the Appraisal Institute remains concerned with the recent move away from fundamental safety and soundness practices, advancing regulatory relief over risk management. Recent actions have resulted in an “appraisal by option” environment, which we believe is precarious given where we are in the current economic cycle and what we have learned from past financial crises. The request to the GAO positively responds to concerns that we have raised during Congressional testimony and comment letters about a race to the bottom in risk management emphasis by the federal financial institution regulators.

The Appraisal Institute looks forward to the GAO report, and stands ready to work with Congress to develop a vision of appraisal oversight that serves consumers and lenders by promoting a competitive marketplace for high quality appraisals. If you have any questions or need additional information, please contact Bill Garber, Director of Government Relations for the Appraisal Institute, at 202-292-5586 or [bgarber@appraisalinstitute.org](mailto:bgarber@appraisalinstitute.org), or Brian Rodgers, Manager of Government Relations, at (202) 298-5597 or [brodgers@appraisalinstitute.org](mailto:brodgers@appraisalinstitute.org).

Sincerely,

Jefferson L. Sherman, MAI, AI-GRS  
2020 President