



12/1/2025

U.S. Department of Housing and Urban Development
451 7th Street SW, Room 9262-9280
Washington, DC 20410

Re: RFI on the Role of the HECM and HMBS Programs

To Whom It May Concern:

On behalf of the more than 16,000 members of the nation's largest organization of professional real estate appraisers, thank you for the opportunity to comment on HUD's Request for Information regarding the HECM and HMBS programs. Our comments focus specifically on the importance of maintaining the second appraisal requirement in the HECM program.

The Second Appraisal Is a Critical Safeguard

The second appraisal provides an essential check against overvaluation risk, which is particularly important in HECM lending where repayment depends on collateral value many years after origination. Removing this safeguard would increase risk to the Mutual Mortgage Insurance Fund and diminish protections for senior homeowners.

Investor confidence in HMBS relies heavily on accurate and consistent valuations. The second appraisal requirement strengthens collateral certainty and helps maintain liquidity in this specialized market. Eliminating it could introduce volatility and weaken issuer participation.

Senior-owned homes frequently exhibit deferred maintenance and condition issues that can create wider variance in valuation. A second appraisal helps identify outliers and ensures those conditions are reflected appropriately. Any potential additional time and cost associated with a second appraisal are relatively small compared to the program risks it mitigates. Seniors ultimately benefit from valuations that are accurate and defensible.

For these reasons, the Appraisal Institute strongly recommends HUD retain the second appraisal requirement. If refinements are desired, HUD could clarify when the second appraisal is triggered and standardize reconciliation protocols, but its core purpose should remain intact.

Thank you again for the opportunity to comment. We hope that you find these suggestions and comments constructive and beneficial. Please contact Scott DiBiasio, Director of Government Relations for the Appraisal Institute, at 202-292-5593 or sdibasio@appraisalinstitute.org, or Brian Rodgers, Senior Manager of Federal Affairs, at (202) 298-5597 or brodgers@appraisalinstitute.org should you have any questions.

Sincerely,

Appraisal Institute

