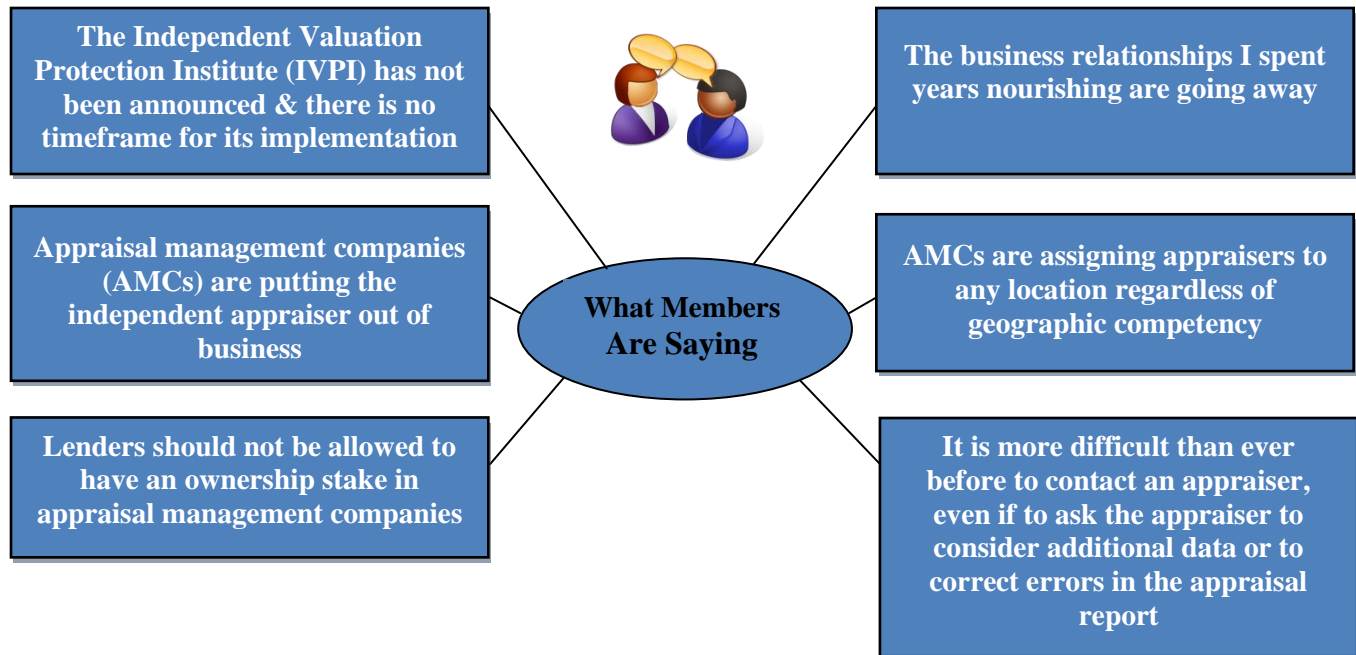




REALTOR® Concerns about the Home Valuation Code of Conduct

REALTORS® are increasingly vocal about the implementation of the Home Valuation Code of Conduct (HVCC). This is what they are reporting to the National Association of REALTORS® (NAR).



In response, NAR created a page on Realtor.org which includes the most up to date information on the HVCC. To view the page, visit www.realtor.org/government_affairs/gapublic/gses_hvcc_announced. The following is a list of steps NAR is taking to keep members informed:

- NAR created the HVCC Summary & FAQs on the HVCC page of Realtor.org
- A NAR Regulatory Issues Brief was put together for the 2009 Midyear Meetings held in Washington, DC. The brief outlines how HVCC impacts all the stakeholders in the real estate industry.
- The Appraisal Insight blog has several posts related to HVCC.
- NAR adopted policy on AMCs at the 2009 Midyear Meetings. NAR supports the empowerment of federal mortgage regulators to adopt standards for AMCs and to promulgate licensing requirements of AMCs to the states through the Financial Institutions Reform and Recover Enforcement Act (FIRREA) and other related legislation.
- NAR plans to host a forum on appraisal issues at the 2009 Annual Convention in San Diego in November.

Understanding the Home Valuation Code of Conduct (HVCC)

HVCC Myths

HVCC Facts

HVCC Prohibits REALTORS® and lenders from talking to appraisers.



REALTORS® and lenders can talk to appraisers, including requests to consider additional data in the valuation or to

A lender is required to use an appraisal management company (AMC) to get an appraisal.



Lenders may directly retain the services of an independent appraiser.

Lenders are required to choose appraisers from a rotating roster approved by Fannie Mae or Freddie Mac.



Lenders may choose to use a rotating roster of appraisers but are NOT required to do so by Fannie Mae or Freddie Mac.

The code applies to all mortgages that require an appraisal.



The code applies only to 1-4 single family loans sold by Fannie Mae or Freddie Mac and does not apply to FHA, VA or the Federal Home Loan Banks.

HVCC requires an appraisal where a lender was previously under no requirement to obtain one.



Nothing in the HVCC requires a lender to obtain a property valuation or to use a particular methodology.

A mortgage broker may select the appraiser.



If the lender grants permission, a mortgage broker may directly contact a lender-approved AMC that retains the appraiser.

A mortgage broker may not transfer an appraisal from one lender to another.



A mortgage broker may transfer an appraisal if the lender that ordered the original appraisal grants permission.

Borrowers must use a credit card upfront to pay for an appraisal.



A borrower is not required to pay for an appraisal with any one particular form of payment.

A borrower may pay the appraiser directly.



Payment for an appraisal must be made to the lender or third-party hired by the lender to retain the appraisal services.