

Congress of the United States

Washington, DC 20515

Speaker Nancy Pelosi
H-232, US Capitol
Washington, DC 20515

Chairman Barney Frank
2129 Rayburn House Office Building
Washington, DC 20515

Minority Leader John Boehner
H-204 US Capitol
Washington, DC 20515

Ranking Member Spencer Bachus
B371a Rayburn House Office Building
Washington, DC 20515

May 24, 2010

Dear Speaker Pelosi, Chairman Frank, Leader Boehner, and Ranking Member Bachus:

As Congress continues to debate financial regulatory reform, we respectfully ask you to retain Sec. 4312 of H.R. 4173, regarding the Home Valuation Code of Conduct, which we believe is an essential part of any financial reform bill. This language was crafted through a bipartisan agreement in the Financial Services Committee and was later adopted by the House.

As you know the Home Valuation Code of Conduct (HVCC), an agreement regarding home appraisals made by the New York Attorney General Andrew Cuomo, government-sponsored enterprises (GSEs), and Federal Housing Finance Agency (FHFA) went into effect on May 1, 2009. Pursuant to the HVCC, the GSEs are required to adopt a adopted new policy regarding appraisals, specifically, the GSEs will no longer purchase loans from lenders "accepting appraisal reports completed by an appraiser selected, retained, or compensated in any manner by any third party." To be compliant with the new policy, lenders will only accept appraisal reports from a pre-approved list of appraisers or appraisal management companies.

Implementation of the HVCC has caused significant turmoil in the housing market and resulted in financial distress for consumers and small business professional alike. As you know we worked in a bipartisan fashion to insert language during committee consideration of the Wall Street Reform and Consumer Protection Act of 2009 that would preserve appraisal independence and sunset the harmful HVCC. Currently, access to credit has become incredibly challenging for even the most creditworthy borrowers. Any appraisal independence rule should go through the formal rulemaking process subject to notice and open to the general public for comments so that consumers and those parties most effected by the proposal will have an opportunity to participate in the process. Section 4312 of the H.R. 4173, the Wall Street Reform and Consumer Protection Act, contains bipartisan language adopted in committee that we believe is essential in any financial services reform bill that becomes law, regardless of its other provisions.

Again, we urge you to retain Sec. 4312 of H.R. 4173 as passed by the House, to ensure no further damage to the housing market is done in this time of great economic distress.

Sincerely,



GARY G. MILLER
Member of Congress



TRAVIS CHILDERS
Member of Congress



DONALD MANZULLO
Member of Congress



JOE BACA
Member of Congress



BRAD SHERMAN
Member of Congress