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NAIFA Announces Position on Fannie Mae and Freddie Mac Agreement
NAIFA supports efforts but believes significant changes are necessary

CHICAGO, IL – The National Association of Independent Fee Appraisers (NAIFA) has announced its position regarding the agreement reached between the New York State Attorney General's Office and the Office of Federal Housing Enterprise Oversight (OFHEO), and Fannie Mae and Freddie Mac.

The position is announced in an open letter posted on www.naifa.com by Michael T. Orman, IFAS, National President, NAIFA, and Ann L. Susko, Government Affairs Liaison, NAIFA.

"NAIFA applauds the attempt to secure appraiser independence in the real estate financing process in the proposed agreement," says Michael T. Orman, IFAS, National President, NAIFA. "But despite its laudable intent, we find that the current structure of the agreement may lead to unanticipated and potentially damaging results for borrowers, the public, real property appraisers, and users of real property appraisals."

"While we support the efforts of the broader appraisal community to address the shortcomings of the agreement," Orman continues, "we believe the agreement is attempting to solve a problem for which a solution already exists. Should the agreement move forward, however, NAIFA, along with many other related appraisal and financial organizations, believe significant changes to the agreement as written are necessary."

One of those solutions includes banking regulations set forth by the Federal Financial Institutions Examination Council (FFIEC) and its member regulatory agencies, the Office of Comptroller of the Currency and the Office of Thrift Supervision. "Regrettably, these regulations are not flowing through the proper channels, to the end user and the loan originators, nor have the users been trained to implement the regulations," states Orman.

The letter also outlines proposed changes to the agreement involving the Home Valuation Code of Conduct (HVCC). "The HVCC reflects a strong attempt to support the independence of appraisers who are to provide an unbiased, supportable valuation of real property," adds Orman. "However, some parts of the HVCC appear to neuter the intent of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA)."

NAIFA also takes issue with additional aspects of the agreement, including the proposed Independent Valuation Protection Institute (IVPI) and the agreement's accepted use of Appraisal Management Companies (AMCs).

For NAIFA's complete position statement, visit www.naifa.com.

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The National Association of Independent Fee Appraisers is an association of professional real estate appraisers committed to the support of its members, for a service of trust and integrity, that benefits the members, the profession and the general public. Established in 1961, NAIFA provides appraisal education, an advanced testing and certifying program to acquire a designation, promotes fellowship among members and professionalism to the public. To locate a designated appraiser, visit www.naifa.com.