



March 31, 2016

Appraiser Qualifications Board
The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, D.C., 20005

Dear Appraiser Qualifications Board:

The Mortgage Bankers Association (MBA)¹ appreciates the opportunity to comment on potential areas of revision to the *Real Property Appraiser Qualification Criteria*. Residential appraisers play an essential role for everyone involved in the real estate finance industry. Lenders and investors depend on them for an accurate evaluation of collateral. The public relies on them not only for an estimate of value in what is often their largest asset, but also as an important step in the process of purchasing a home.

With more residential appraisers leaving the industry than joining the industry, and the average age of an appraiser currently around 58 years old, there is no question that the profession is in dire need of change in order to survive into the next generation. A shortage of appraisers is currently felt in many rural and lower population communities, and in the coming years this shortage threatens to spread into new markets and become far more severe in existing markets. For MBA members, a decline in the number of appraisers may mean a decline in appraisal quality, an increase in appraisal-related costs passed on to consumers, and longer turn-times in the loan origination process. MBA applauds and supports the Appraiser Qualifications Board (AQB)'s efforts to identify and address many of these systemic issues.

MBA believes that certain unnecessary barriers to entry for talented individuals seeking to become residential appraisers can be eliminated or significantly reduced without undermining either the quality of the work product or the trust that the public places in its appraisers. The most immediate opportunities MBA has identified are as follows:

- allowing “alternative experience” to count towards the appraisal experience requirement for the Certified Residential classification;
- enhancing a college “practicum” curriculum; and
- conducting a national appraiser dispersion study.

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 280,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,200 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information, visit MBA's Web site: www.mba.org.

While ample experience in the industry should properly remain the foundation of certification requirements, the current training/mentoring period is in need of substantial modification. Because arms-length mentors (i.e. those who are not related to the trainee) are essentially paying to teach their own future competition, the interests of the parties are often in conflict. As a result, either aspiring trainees are unable to find a suitable mentor or the pairing is less beneficial and pedagogical than it could be. The experience requirement should be revised to allow for alternate forms of experience for those who are unable to break into the industry without a special connection. These forms of experience might include completion of AQB's proposed practicum curriculum on a college campus, work as a property tax assessor, home inspector, or experience gained in partial appraisal work assignments.

The introduction of a robust vocational program at a college, university, trade school or professional organization would also be of great value. Exposing recent high school graduates to the residential appraisal industry will generate interest among many who had not predetermined to enter it. AQB's recommended program, which would provide an opportunity to earn a portion of the required experience hours towards a credential while also working towards a degree, would make the training period appear less daunting and more efficient for newcomers. AQB's proposed case study program may even provide aspiring appraisers with information and experiences that they would not have otherwise obtained in their traditional fieldwork.

Finally, MBA recommends that the Appraisal Foundation conduct a national appraiser dispersion study that would examine which markets are saturated, and which are in the most need of new appraisers. Such information, if publicized, would be a win for appraisers and consumers alike. For aspiring appraisers, they will receive a valuable perspective into where they should begin their careers. The markets that currently have the greatest shortage are often the same markets where there are few comparable sales and where the need for talented residential appraising is therefore maximized. By providing a highly-demanded service in an underserved market, the consumer also wins. Finally, an efficient distribution of appraisers would reduce the average commute time between work assignments.

MBA looks forward to continuing the dialogue on how best to preserve the residential appraisal industry for the next generation and beyond. Should you have any questions or wish to discuss any aspect of these comments further, please contact Tamara King, Vice President of Residential Policy at (202) 557-2758 or tking@mba.org, or Matt Jones, Regulatory Assistant at (202) 557-2922, or mjones@mba.org.

Sincerely,



Pete Mills
Senior Vice President of Residential Policy and Member Engagement
Mortgage Bankers Association