



MORTGAGE BANKERS ASSOCIATION

May 17, 2021

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, D.C. 20515

RE: H.R. 3008, the Homebuyer Assistance Act of 2021

Dear Speaker Pelosi and Leader McCarthy:

On behalf of the Mortgage Bankers Association (MBA)¹, I am writing to share our industry's views regarding a bill scheduled to be considered by the House under suspension of the rules this week: *The Homebuyer Assistance Act of 2021* (H.R. 3008).

MBA supports H.R. 3008, as introduced by Rep. Brad Sherman (D-CA) on a bipartisan basis with Rep. Van Taylor (R-TX). This legislation would allow more appraisers practicing in the field today to become eligible to conduct real estate evaluations on properties subject to mortgages insured by the Federal Housing Administration (FHA).

In July 2008, the Housing and Economic Recovery Act (P.L. 110-289) was signed into law and prohibited state-licensed residential appraisers from continuing to participate in FHA-insured transactions by limiting evaluations to only certified appraisers. While the statutory change was designed to protect FHA during a time of significant economic stress, it had a negative effect on residential markets over the longer term, especially in difficult-to-access rural areas.

In the current market, the lengthy processing times and high costs due to a lack of appraisers reduce the efficiency of the loan origination process for FHA-insured loans. Rising appraisal costs in recent years have largely been attributed to appraiser shortages in certain locations, especially rural areas. This legislation would allow lenders to address supply shortages by expanding their appraiser pools, which in turn will reduce consumer costs and shorten delays that have occurred in many markets. More broadly, the *Homebuyer Assistance Act of 2021* could create a more efficient residential mortgage market for lenders and consumers by expediting valuations and lowering closing costs.

Thank you in advance for your consideration of the views expressed within this letter.

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 330,000 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 to 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 1,700 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Killmer". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Bill Killmer
Senior Vice President
Legislative and Political Affairs

cc: The Honorable Maxine Waters
The Honorable Patrick McHenry
The Honorable Brad Sherman
The Honorable Van Taylor
All Members, U.S. House of Representatives