



MORTGAGE BANKERS ASSOCIATION

July 18, 2024

The Honorable Sandra Thompson
Director
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20219

The Honorable Adrienne Todman
Acting Secretary
U.S. Department of Housing and Urban
Development
451 7th Street, SW
Washington, DC 20410

RE: Request for Extension on Implementation of Reconsideration of Value (ROV) Policy

Dear Director Thompson and Acting Secretary Todman,

The Mortgage Bankers Association¹ (MBA) appreciates the commitment of the Federal Housing Finance Agency (FHFA) and the U.S. Department of Housing and Urban Development (HUD) to addressing and rooting out appraisal bias. MBA has consistently supported the mission of the Biden Administration's Interagency Task Force on Property Appraisal and Valuation Equity (PAVE), advocating for common-sense reforms and initiatives that promote fairness, transparency, and equity in property appraisals and valuations.

MBA recognizes the importance of Reconsideration of Value (ROV) policies as a critical tool in ensuring fairness, transparency, and accuracy in property appraisals. The ability for consumers to challenge potentially inaccurate or biased appraisals is essential for fostering a more equitable housing market and for eliminating long-standing disparities that have adversely affected minority communities.

In May, FHFA and HUD finalized their individual, but similar, ROV rules. Both require lenders to establish internal ROV policies and provide an easy-to-understand disclosure to consumers. As lenders and their vendors work diligently to align their practices and

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 275,000 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 more than 2,000 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.

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procedures with the new ROV policy requirements, many have voiced concerns about their ability to meet the respective implementation deadlines set by FHFA and HUD.^{2,3}

We thank FHFA and HUD for meeting with MBA and its members earlier this week to discuss the challenges in implementing a robust ROV policy aimed at ensuring all borrowers receive fair and transparent appraisals.


As highlighted in our recent conversation, the required changes are extensive, involving significant modifications to lenders' loan origination systems (LOS), training programs, and technology systems. While certain lenders may have had ROV policies in place before the FHFA and HUD announcements, other lenders – particularly those that are smaller and/or rely extensively on external vendors for system programming – have indicated that despite their best efforts they may not meet the four-month implementation deadline. For these lenders the disclosures are still being developed, approved, and tested, and additional time is needed for an effective rollout.

Given the scope and complexity of the ROV policy reforms, we respectfully request a six-month deadline extension to fully implement the ROV policy, disclosures, and related requirements consistently across the entire market. This extension will allow the industry to ensure that all necessary measures are in place to comply with the new standards, thereby enabling us to support the PAVE mission more effectively.

* * *

We are committed to continuing our collaborative efforts with the FHFA, HUD, and other stakeholders to address appraisal bias and to promote equity in the housing market. We believe that this brief extension will facilitate a more thorough and successful implementation of these important policies. Should you have questions or wish to discuss these issues further, please contact Darnell Peterson at (202) 557-2922 or Dpeterson@mba.org.

Sincerely,



Justin Wiseman
Vice President for Residential Policy, Managing Regulatory Counsel
Public Policy and Industry Relations
Mortgage Bankers Association

² HUD Mortgagee Letter 2024-07

³ [FHFA Announces Enterprise Reconsideration of Value Policies | FEDERAL HOUSING FINANCE AGENCY](#)