

October 7, 2026

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RE: Appraisal Modernization Act Implementation

On behalf of the undersigned organizations, we write to offer recommendations regarding implementation of the Appraisal Modernization Act (the Act), which was enacted as part of the 21st Century ROAD to Housing Act.¹

Coordinated implementation of the Act by the Federal Housing Finance Agency, Department of Housing and Urban Development (including both the Federal Housing Administration and the Office of Public and Indian Housing), the Department of Agriculture, and the Department of Veterans Affairs (covered agencies) has the potential to improve the home loan process and strengthen consumer protection.

We support the Act's goal of creating a review and resolution procedure for a consumer-initiated reconsideration of value (ROV) or subsequent appraisal in connection with a consumer's home loan. We believe that a standardized approach to the ROV process with uniform practices, such as common forms for borrowers, standard data fields for tracking purposes, and consistent procedural steps and requirements for all the parties involved, would benefit the government, industry, and borrowers alike.

We believe that a standardized process would provide borrowers, lenders, appraisers, and regulators with clear roles and responsibilities. A well-designed, uniform process will ultimately lead to better outcomes –enhancing the integrity of the appraisal process, preventing undue pressure for appraisers to meet a certain property value, and providing the covered agencies the information it needs to identify appraisers who fail to meet professional expectations.

¹ 21st Century ROAD to Housing Act, Pub. L. No. 119-101, 140 Stat. 846 (2026)

Our organizations believe the simplest approach to implement the Act is for the covered agencies to align the ROV process with the collateral valuation standards already established by Fannie Mae and Freddie Mac (collectively, the GSEs). A single, uniform reconsideration of valuation process will facilitate compliance because lenders will perform the same process for all loan products and reinforce adherence to the new standards with common and enhanced quality control procedures.

If your policy teams determine that the GSE standards can be further strengthened, we recommend that the covered agencies work collaboratively to develop the new requirements. For example, we believe that a comprehensive ROV approach could reasonably include standardized educational resources from the covered agencies. Clear educational information and instructional materials for borrowers² would help consumers navigate the ROV process, including what steps they may take and what information they will need to execute those processes as well as what kinds of results they can expect. However, we request that any additions to the GSE standards be adopted by all the covered agencies so that the market can maintain a standardized ROV framework.

* * *

Our organizations appreciate your consideration of these recommendations and welcome the opportunity to work with you to implement the Appraisal Modernization Act. Should you have questions or wish to discuss these issues further, please contact Matthew Douglas, at Matt.Douglas@housingpolycouncil.org. Thanks for your consideration.

Sincerely,

America's Credit Unions
American Bankers Association
Broker Action Coalition
Collateral Risk Network
Community Home Lenders of America
Defense Credit Union Council
Housing Policy Council
Independent Community Bankers of America
Mortgage Bankers Association
National Association of Mortgage Brokers
National Association of Realtors
Real Estate Valuation Advocacy Association

² Examples could include eliminating duplicative borrower disclosures by providing ROV information only when a valuation has been completed and reconsideration rights are actionable, rather than at application for all transactions regardless of whether a valuation is ultimately obtained. Covered agencies could also provide borrowers with clear guidance regarding the information necessary to support discrimination-based reconsideration requests, helping distinguish potential appraisal bias concerns from general valuation disputes and promoting a more consistent and transparent review process.