



February 25, 2021

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

Re: Request for Information on Appraisal-Related Policies, Practices, and Processes

Director Calabria:

Thank you for the opportunity to provide input to the Federal Housing Finance Agency (FHFA) in response to the Request for Information on Appraisal-Related Policies, Practices, and Processes (RFI). The Housing Policy Council¹ (HPC), American Bankers Association² (ABA), and Mortgage Bankers Association (MBA)³ each have submitted separate comment letters to more fully address the many issues raised in the RFI but consider one aspect of this RFI to be so critical that we are also collectively submitting this recommendation. We ask that FHFA dedicate resources to the development of a strategy for public release of the extensive property valuation dataset that is now maintained by Fannie Mae and Freddie Mac (the GSEs).

Since the 2010 launch of the Uniform Mortgage Data Program (UMDP), which included the Uniform Collateral Data Portal (UCDP), industry stakeholders have served as critical business partners supporting the success of this work. For over a decade, the industry has been

¹ The Housing Policy Council is a trade association comprised of the leading national mortgage lenders and servicers, mortgage and title insurers, and technology and data companies. HPC advocates for the mortgage and housing marketplace interests of its members in legislative, regulatory, and judicial forums. Our interest is in the safety and soundness of the housing finance system, the equitable and consistent regulatory treatment of all market participants, and the promotion of lending practices that create sustainable homeownership opportunities in support of vibrant communities and long-term wealth-building for families. For more information, visit www.housingpolicycouncil.org

² The American Bankers Association is the voice of the nation's \$21.2 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2 million people, safeguard \$17 trillion in deposits and extend nearly \$11 trillion in loans.

³ 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, DC, 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 2,100 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, credit unions, thrifts, REITs, Wall Street conduits, life insurance companies, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

collaborating with the GSEs on: the standardization of the data points themselves, using the Mortgage Industry Standards Maintenance Organization (MISMO) as the primary vehicle for these efforts; continuous updates to data collection procedures and technology platforms to produce and deliver data to the GSEs; and enhancements to and recalibration of quality control procedures to align with the new risk management techniques established by the GSEs.

As a result of this mutual commitment to the success of the UMDP broadly and the Uniform Appraisal Dataset (UAD) specifically, there has been a marked improvement in the overall integrity of the data captured within the Uniform Residential Appraisal Report (URAR). The higher quality of residential property valuations benefits all parties involved in home sales and mortgage transactions and, for that, our members are appreciative. The submission of the UAD/URAR data into the GSE data portal, however, results in a massive level of critical collateral information for not only the subject property, but also for the additional comparable properties (minimum of three) that are used to establish the opinion of value. The accumulation of such a vast amount of data on properties across the United States – data that is verified by repeat sales and that provides insight on changes in the characteristics or condition of properties over time – is extremely valuable.

The benefits of this substantial compilation of residential property data should be shared with those parties that contributed to the work. We believe, therefore, that FHFA should initiate an exercise to assess the options and develop a plan for broad public release of this information to industry participants – including appraisers and appraisal management companies, lenders and servicers, mortgage and title insurance companies, investors and rating agencies, and data analytics providers – as well as to other stakeholders, such as academics, researchers, and consumer advocates.

Of note, the primary objective for release of this information is not only to enhance transparency with respect to the appraised value of residential properties, but also, and more importantly, to improve risk management practices across the marketplace. The analytic capabilities of various types of industry stakeholders are considerable but limited by the quantity and scope of the data available to them. The more information that is available, the better the reliability, predictability, and capacity of collateral models. From the perspective of a safety and soundness regulator, FHFA also would benefit from the risk management improvements that could be implemented by GSE counterparties, if these parties were able to access this data.

While each of our organizations has requested the release of this collateral data in previous communications, this RFI presents an opportunity for a unified and direct appeal to FHFA to act now and make this information available to the broader mortgage marketplace. We stand ready to engage and commit the resources necessary to work with FHFA and the GSEs to design and execute a plan by which this collateral data can be made available to the public.

Should you have any questions regarding this recommendation, please do not hesitate to contact Meg Burns, EVP of HPC, at 202-589-1926; Pete Mills, SVP for Residential Policy and Member Engagement at MBA, at 202-557-2878; or Rod Alba, SVP for Mortgage Finance and Regulatory Counsel at ABA, at 202-663-5592.

Sincerely,

American Bankers Association

Housing Policy Council

Mortgage Bankers Association