

Real Estate Valuation Advocacy Association (REVAA), Donald Kelly, Executive director

Statement before the ASC Advisory Committee (ASCAC), July 22, 2014

Thank you members of the Advisory Committee for the opportunity to address you today; I am Don Kelly, Executive Director of the Real Estate Valuation Advocacy Association, REVAA. As you know, REVAA is a trade association representing Appraisal Management Companies and has been active in working with federal and state agencies and officials to enact meaningful and reasonable regulation regarding AMCs. Various REVAA representatives and I have worked with many of you in this room on many occasions and we continue to enjoy the positive and professional working relationships we have developed.

First of all, I want to congratulate the Committee on the work underway and, from a reading of the minutes, the clear commitment and willingness to address the complex issues before you. Each of you brings a valuable base of knowledge and perspective to this effort. We are pleased to offer any information and support to these proceedings you may require.

Looking at your agenda and upcoming discussions, I will highlight just a couple of issues for consideration. One of the important goals for REVAA is to have consistency wherever possible, consistency in processes as well as in legislative and regulatory authority. With that in mind, your discussion regarding the ASCs Policy Statements is an area where regulatory authority may result in greater uniformity. Meaning, regulations would have the benefit of having the force and effect of law and thus likely to promote consistency in their application. While there are always two sides to every story, I believe your discussions here will be constructive.

Another issue is reciprocity and temporary practice and while you have already begun a healthy discussion on this, I would comment that it continues to be a real issue for companies working in multiple (if not all) jurisdictions. We all know that this is an issue faced by many for many years. Also not surprising, a chief appraiser with an AMC recently told me he has 13 licenses he has to maintain and even then still has difficulty in some jurisdictions with temporary practice issues. The opportunity for greater reciprocity could help facilitate efficiencies for working in multi-state scenarios. I look forward to the continued dialogue.

Compliance is an issue that continues to grow in importance and scope, and firms of all sizes face the additional costs associated with compliance issues at all levels. As states continue to develop their AMC registration requirements, the issue of audits (when are they done, by what standards, who bears the costs) can be one of concern. Consistency for compliance audits should help all concerned including consumers. To know the expectations and standards to be applied can help the companies prepare for a meaningful audit, for agencies to have a consistent process can only help and the consumer can have confidence that, from state to state, the audit and compliance process is consistent.

The issue of incentives and penalties is something that the ASC has grappled with since the early days of licensing and certification. Now, with Dodd-Frank authority the ASC has more opportunities to address this issue. With authority to administer grants the ASC can provide incentives and assist state boards in the administration of their programs. To find a fair and efficient process for such grants and assistance is a worthy effort.

I look forward to your work on the National Registry and related issues such as the unique identifier project, registration fees and access to the Registry. REVAA is committed to working with you, the states, the agencies and the ASC to ensure a reliable and effective system of regulation for the valuation profession and related industries.

Thank you. I can be reached at [Don.Kelly@REVAA.org](mailto:Don.Kelly@REVAA.org) or 734 15<sup>th</sup> St NW Ste 900 WDC 20005. 202-942-9461.