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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

DATE

**Via Email**

Randall Kopfer, Chair, Board of Trustees  
Michelle Czekalski Bradley, Chair, Appraisal Standards Board  
John F. Ryan, Chair, Appraiser Qualifications Board  
The Appraisal Foundation  
1155 15<sup>th</sup> Street NW, Suite 1111  
Washington, DC 20005

Dear Chairs Kopfer, Bradley and Ryan:

This letter is intended to serve as notice to the Appraisal Foundation of ASC Board action taken at a Special Meeting held on February 23, 2022. The action taken addresses concerns raised in the independent analysis of the *Uniform Standards of Professional Appraisal Practice* (USPAP) and the *Real Property Appraiser Qualification Criteria* (AQB Criteria), commissioned by the ASC and managed by CLEAR (NFHA Report).

Please respond within 15 days concerning the Appraisal Foundation's course of action.

The NFHA Report states the following:

The fair housing training module in the current 2022-2023 7-hour USPAP continuing education course for credentialed appraisers should be revised immediately and developed with the participation of fair housing experts to ensure the training is comprehensive and contains important elements needed to educate professionals about how to comply with the letter and spirit of applicable federal, state, and local fair housing laws.

The ASC Board directed ASC staff to take the following action:

- Provide notice to the Appraisal Foundation (TAF) to rescind and revise the Update Course in accordance with the recommendations set forth in the NFHA Report; and
- TAF should provide remedial course materials to all appraisers who have already received the training.

For your reference, the NFHA Report Recommendations are below.

NFHA Report Recommendations

- The introduction to the existing training should be revised to focus on fair housing laws and their requirements. Similarly, the overall tone of the module should be revised from one of raising questions about perception and reputational risk for appraisers to clearly identifying fact patterns that represent illegal discrimination and avoiding harm to consumers.
- The background section should be revised to focus on the history of appraisal discrimination and its impact on borrowers and communities of color.
- The legal section should be revised to accurately state the law. Currently, the module inaccurately focuses on intentional bias and unintentional bias rather than disparate treatment and disparate impact. The definitions and commentary also require revision to explain what constitutes disparate treatment and disparate impact and how appraisers can comply with legal requirements and follow best practices.
- The illustrations and case studies should be revised to clearly identify fact patterns that represent illegal discrimination. The fact patterns should focus on situations that are common and clearly covered by the Fair Housing Act.
- The instructor's manual should be revised to provide more explicit guidance. Also, in connection with fair housing topics, the instructor's focus should be on the law first and USPAP and other guidelines second.

Sincerely,

James R. Park  
Executive Director