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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

## ASC Roundtable Summary

**February 10, 2020**

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The third industry ASC Roundtable took place on Monday, February 10, 2020, at the Office of the Comptroller of the Currency (OCC) in Washington, DC. Fifty-eight participants and 46 organizations representing Federal and State agencies, as well as private and non-profit sectors took part in the day-long event.

The Appraisal Subcommittee (ASC) created the roundtable events to serve as a forum to discuss topical issues in the real estate valuation field. The first two events were centered on the evolving real estate valuation landscape. Specifically, in 2017, opportunities to streamline federal appraisal requirements were discussed. Building off those discussions, as well as the 2018 Treasury Report on non-bank financials and fintech, the 2018 Roundtable focused on the integration of financial technology within today's appraisal landscape. The role of data within valuation and collateral risk management emerged as a common thread throughout the discussions. Thus, the topic for the third Roundtable was formed.

The discussion focused on exploring and deliberating the advantages, disadvantages and considerations of more valuation/property data being made public and/or available to market participants. The discussion also focused on the integration of financial technology within today's collateral risk analysis landscape. The purpose of the Roundtable was to provide a forum for dialogue between stakeholders with varying perspectives and priorities with the goal of developing a common approach to the integration of technology into the valuation process.

The Roundtable started with presentations by panel members representing the Federal Reserve Bank of Atlanta, Wells Fargo Securities, Bradford Technologies, and AVMetrics. Following the presentations, participants divided into 8 separate discussion tables to address the topic of the growing use and sourcing of data in residential and commercial real property valuation and collateral risk management. Particular focus was given to residential and commercial lending

where technology and expanding data sets are already having an impact. The afternoon session brought all attendees together to address the issues in a plenary setting.

In general, it was acknowledged that technology (*e.g.*, artificial intelligence and expanding data) will continue to evolve the valuation landscape at an ever-increasing pace. The discussants focused on several major themes regarding data in residential and commercial lending:

- (1) Is regulation of data needed?
- (2) Who owns the data, particularly data that has been scraped from other sources such as appraisal reports?
- (3) Should some data be publicly available?

The afternoon session provided a forum for representatives from each of the discussion tables to present a summary of topics addressed in the morning session by the breakout groups. Notable issues addressed in the discussion were:

- The definition of data
- How data is validated for various purposes such as AVM use
- Collected data may contain information about the property owner that could be considered personal with the associated privacy concerns
- Should property owners have a right to opt in or out of public/private databases or amend the information contained therein
- Data collection and optimization can be challenging in many markets, particularly rural markets and States with public disclosure limitations on public property record data
- Data collection occurs at various steps within the transaction process and by various professionals in the real estate industry
- Data ownership can be unclear
- Should more data, such as GSE data, be made public for increased consumer protection and leveling the field so smaller lenders can compete
- Blockchain processes could play a vital role in the future

There was general interest in further conversation on:

- Possible industry collaboration to determine what data needs to be collected to better meet the needs of all stakeholders
- How data accuracy and reliability are tested
- How the industry continues to grow in its reliance on property data when fewer appraisals may be required in the future

ASC Roundtables provide a valuable forum to share information and facilitate discussion with industry thought leaders involved in real property valuation. In conformance with the ASC's 2019-23 Strategic Plan, the ASC intends to continue hosting events such as this to facilitate effective and efficient valuation services and regulation.

Comments are welcome and can be sent to [jim@asc.gov](mailto:jim@asc.gov).



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## **ASC Roundtable Participants**

**Washington, DC**

**February 10, 2020**

Americans for Financial Reform  
American Society of Appraisers  
American Society of Farm Managers & Rural Appraisers  
Appraisal Institute  
Association of Appraiser Regulatory Officials  
AV Metrics, LLC  
Bank of America  
Bank of Clarke County  
Bradford Technologies, Inc.  
Collateral Risk Network, Inc.  
Conference of State Bank Supervisors  
Consumer Financial Protection Bureau  
CoreLogic  
Fannie Mae  
Farm Credit Mid-America  
Federal Deposit Insurance Corporation  
Federal Housing Finance Agency  
Federal Reserve Bank of Atlanta  
Federal Reserve Board  
Federal Trade Commission  
First American Mortgage Solutions  
Freddie Mac  
Genworth Financial Mortgage Insurance  
House Canary, Inc.  
Housing Policy Council  
Independent Community Bankers of America  
JPMorgan Chase  
Montana Board of Real Estate Appraisers  
Moody's Investors Service, Inc.  
Mortgage Bankers Association  
National Association of Home Builders  
National Consumer Law Center  
Newmark Knight Frank  
Office of the Comptroller of the Currency  
Property Sciences Group, Inc.  
Real Estate Valuation Advocacy Association  
Relocation Appraisers and Consultants, Inc.  
Royal Institution of Chartered Surveyors  
U.S. Department of Agriculture – Rural Development  
U.S. Department of Housing and Urban Development  
U.S. Department of Justice  
U.S. Department of the Treasury  
U.S. Department of Veterans Affairs  
UBS  
Veros  
Wells Fargo Securities