

# INTRODUCTION

The Council on Licensure, Enforcement & Regulation (CLEAR) is requesting input from businesses and governmental agencies interested in providing data that will support CLEAR's study of appraiser supply and appraiser diversity issues, as described in this Request for Information (RFI).

## Organizational Description

As the premier international resource for professional regulation stakeholders, CLEAR promotes regulatory excellence through conferences, educational programs, webinars, seminars, and symposia. The organization provides networking opportunities, publications, and research services for those involved with, or affected by, professional and occupational regulation. As a neutral forum to facilitate and encourage the sharing of best practices, CLEAR serves and supports the international regulatory community and its vital contribution to public protection.

In early 2021, CLEAR entered into a Cooperative Agreement (CA) with the Appraisal Subcommittee (ASC), the independent Federal agency established under Title XI of the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989 (Title XI) to oversee State appraiser and appraisal management company (AMC) regulatory programs, provide grant funding, and protect Federal financial and public policy interests in real estate appraisals used in Federal-related transactions.

CLEAR intends to identify new data sets that will help diagnose appraiser supply and appraiser diversity issues. The CA's "Census/Survey" initiative will seek to connect ASC's existing registry of U.S. appraisers and AMCs with other governmental and private resources in order to identify a universe of "active" appraisers from which a statistical sample can be selected. Key research questions will be investigated through a statistically sampled cohort of the active appraiser population, and data development activities will seek to further enrich ASC's understanding of the challenges confronting the appraiser profession and to identify effective strategies for addressing these challenges.

CLEAR will engage in a variety of contracts, memoranda of understanding, and partnerships with other governmental entities and the private sector to accomplish program goals. This RFI may result in multiple engagements between CLEAR and data consultants and providers, with each engagement adapted to the unique characteristics of that data partner.

David A. Byerman serves as the Lead Consultant for this CA and will manage the RFI process. Any questions should be directed to his attention at [DByerman@clearhq.org](mailto:DByerman@clearhq.org) or (859) 333-9401.

## Informational Meetings and Response Deadline

Two optional informational meetings will be held via Zoom to answer any questions that respondents may have. The first meeting will take place on Friday, June 10<sup>th</sup>, 2022 at 1PM EDT. The second meeting will take place on Tuesday, June 21<sup>st</sup>, 2022 at 3PM EDT. Perspective respondents are welcome to attend either or both of these meetings. Please email David Byerman at [dbyerman@clearhq.org](mailto:dbyerman@clearhq.org) for an invitation to the informational meetings.

All responses to the RFI should be received by CLEAR no later than 5PM on Friday, June 24<sup>th</sup>, 2022. Responses should be emailed to David Byerman at [dbyerman@clearhq.org](mailto:dbyerman@clearhq.org). Respondents are encouraged to submit information prior to the deadline, as responses will be considered on a rolling basis and further clarification may be requested based on preliminary submissions.

## SCOPE OF INFORMATION SOUGHT

CLEAR plans to conduct a statistically-based sample of the universe of active appraisers in the United States in order to ascertain information about the current state of the appraisal profession, and is seeking information to determine which appraisers on the ASC Registry are actively practicing. Further, CLEAR is studying factors that are driving the supply and demand for appraisal reports in the market for U.S. single-family residential properties. Specific information and market factors for which CLEAR is seeking data include the following:

### 1. Data About Appraisal Reports Prepared by State-Credentialed Appraisers

#### a) Business Model for Supplying Appraisals

- a. Percentage of appraisals managed by AMCs
- b. Percentage of appraisal work done by non-credentialed individuals
- c. Turnaround time required
- d. Percentage of mortgages waiving the appraisal

#### b) Costs of Preparing an Appraisal

- a. Hard costs (e.g., data (Multiple Listing Service/MLS subscription, software, General and Administrative/G&A, dues, license, etc.)
- b. Distance to site (that is, travel costs)
- c. Travel (that is, variable costs)
- d. Distance among single-day inspection sites
- e. Opportunity cost
- f. Labor hours (that is, time to complete the review)
- g. Regulatory requirements added to report (e.g., in general, Veterans Administration/VA)
- h. Type of home (e.g., detached, condo, manufactured)
- i. Type of appraisal (e.g., new construction, sale, refi, update)
- j. Appraiser experience

#### c) Technical Substitutes

- a. Desktop appraisals
- b. Automated valuation models
- c. Broker price opinions
- d. Remote inspection tools
- e. Evaluations (other)

#### d) Number of Credentialed Appraisers

- a. Cost to trainees to get credentialed
- b. Cost to existing appraisers who supervise trainees
- c. Data on forces encouraging/discouraging new trainees
- d. Liability/risk impediments to being credentialed appraiser
- e. “Compensating differentials” (that is, quality of life factors)

## **2. Data About Appraisers**

- a) Lists of active and inactive appraisers
- b) Demographic information of appraisers (e.g., age, race, ethnicity, gender, education)
- c) Location of appraisers (e.g., where they live, where they work, where they practice)
- d) How many appraisals the appraisers perform (e.g., per week, per year)
- e) Patterns of residential vs. commercial (by the same appraiser)
- f) How many trainees the appraisers have supervised
- g) The appraiser's pathway to joining the profession (e.g., family, friend, employer)
- h) Affiliations or work patterns with AMCs (e.g., percentage of appraisals)
- i) For AMCs: Patterns in use of appraisers

Time-series data in particular are sought, but point-in-time data are also valuable. If respondents have suggestions for further factors, we welcome information about potential datasets in those areas.

## **TERM OF POTENTIAL ENGAGEMENT**

As a result of information received in this RFI, CLEAR may engage with other governmental entities or with private-sector companies that can provide unique datasets. These engagements will commence upon the closing of the RFI term with an undefined end date.

CLEAR may engage governmental entities and private-sector companies through memoranda of understanding, formal contracts, or in other manners to be determined.

Although the end date of this project is not yet set, the CA between ASC and CLEAR is already active, and data will be obtained and deliverables finalized on an ongoing basis.

Given the variety of potential data products and data development relationships, a Request for Proposals is not anticipated. Instead, CLEAR will work individually with potential data partners identified through this RFI to follow up on potential opportunities for obtaining and sharing datasets, as circumstances allow.

## **CONFLICT OF INTEREST**

Any private-sector company selected through this process must be free of any conflict of interest with CLEAR. If a new or potential conflict of interest arises after CLEAR retains the selected organization, the organization must promptly notify and consult with CLEAR to address and resolve the conflict.

It is not expected that entities providing data to CLEAR would be conflicted by such action from future work with CLEAR, ASC, or ASC member organizations.

# RESPONSE FORMAT

Responses to this RFI must be emailed by the deadline to David Byerman at [dbyerman@clearhq.org](mailto:dbyerman@clearhq.org) in the PDF format. Responses must include the following sections in the order listed:

- A transmittal letter that:
  - is signed by an authorized organizational representative;
  - identifies all materials and enclosures being forwarded in response to the RFI; and
  - identifies the organization's representative for all matters relating to the RFI response.
- The organization's responses to the questions set forth below. Organizations should answer all questions in the order listed in this RFI.

## Background and Qualifications

- Provide your organization's legal name, address, and other relevant contact information.
- Characterize how your organization's size and background are pertinent to the information sought in this RFI.
- Identify the number of employees in your organization and the general composition of your team.
- Identify any outside vendors that your organization may use to provide data or data interpretation services to CLEAR (e.g., database management, data visualization specialists), and describe how your organization will manage those partners.
- Describe your organization's security measures related to transferring, accessing, and storing data.
- Describe how your organization would approach:
  - producing required work products, including intermediate status updates; and
  - keeping CLEAR informed of billing status (if applicable).
- Provide your organization's diversity and inclusion policy.
- Describe the participation of women and staff from other historically underrepresented groups in your organization by providing:
  - the number of women and otherwise diverse personnel; and
  - the percentage of women and otherwise diverse staff in ownership, leadership, and management positions at the organization.

## Pricing

CLEAR anticipates that some respondents to this RFI will be interested in sharing data without remuneration (or will be precluded from charging for their participation), while others will require payment. As part of any request for payment:

- Provide the hourly rates of all personnel who may provide services to CLEAR in support of this RFI.
- Provide the rates for any outside vendors (e.g., outside counsel, paralegals, research assistants, consultant support) that your organization may use in undertaking the work of this RFI.
- Provide any flat-rate pricing for your data and the basis for that pricing (e.g., per record, per year of data). Please also provide any licensing restrictions for how the data can be utilized.

All costs incurred in connection with the process of responding to this RFI shall be the responsibility of the bidder and will not be reimbursed by CLEAR.

## EVALUATION PROCEDURE AND CRITERIA

CLEAR will review all submitted responses to determine whether there are any opportunities to build partnerships under this RFI and may reject any responses that it deems a poor fit.

After evaluating all submitted materials, CLEAR may proceed with future projects with respondents provided that they:

- Clearly demonstrate a thorough understanding of the engagement's scope.
- Have a demonstrated record of success on past similar engagements.
- Possess adequate resources to handle all assigned responsibilities.
- Maintain high ethical standards.
- Price their services competitively.
- Have no conflict of interest with CLEAR.

All responses that meet the above criteria will be evaluated by CLEAR and ASC staff, and future opportunities for engagements will be pursued on a case-by-case basis.

## QUESTIONS

If you have any questions concerning this RFI, please contact David Byerman via email at [dbyerman@clearhq.org](mailto:dbyerman@clearhq.org) or by phone at (859) 333-9401. If appropriate, the question (without identification of the questioner) and its answer will be emailed to all parties that have indicated an interest in responding to the RFI.