



CONGRESSMAN GARY G. MILLER

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House Financial Services Committee Passes Miller Amendment to Sunset the Home Valuation Code of Conduct

WASHINGTON, DC – During the House Financial Services Committee mark-up of H.R. 3126, the Consumer Financial Protection Agency Act, the Committee approved an amendment offered by Rep. Gary Miller (R-CA) to sunset the Home Valuation Code of Conduct (HVCC).

“While I am supportive of ensuring accurate appraisals, I have repeatedly expressed concern that the HVCC has potential to increase costs to consumers, significantly hinder a consumer’s ability to obtain legitimate and reliable appraisals, and adversely impact small business professionals who work in the very neighborhoods where these consumers are looking to purchase homes,” said Congressman Miller. “In fact, since the implementation of the HVCC on May 1, there are numerous examples of higher costs for appraisals, poor service, the inability to use one appraisal for more than one lender, questionable quality of appraisals, and the inability to make corrections to inaccurate information on an appraisal report.”

Earlier this year Reps. Miller and Childers (D-MS) introduced legislation to impose an 18-month moratorium on the HVCC. The legislation currently has 112 cosponsors. To address ongoing concerns with the Code, Rep. Miller offered an amendment to call on the regulators, who have their own appraisal independence rules, to work together on one set of standards to oversee the industry, and sunset the HVCC. The House Financial Services Committee passed this amendment by voice vote.

“I have serious concerns with the way in which the HVCC was promulgated, and this amendment would ensure that these standards, which are currently affecting well over 70 percent of the market, go through the rulemaking process to avoid the unintended consequences to consumers that this proposal is producing,” added Congressman Miller. “During these times of economic hardship, we should not impose regulations that increase costs to consumers and have the potential of creating a continuation of the declining housing market.”

The HVCC, a set of rules for choosing appraisers that resulted from an agreement last year between the New York Attorney General Andrew Cuomo and the government-sponsored enterprises (GSEs), prohibits lenders from accepting reports from appraisers selected by mortgage brokers, realtors or lenders’ own production staff. Although the HVCC was issued in part by an administrative agency of the federal government, it did not go through the Administrative Procedures Act (APA) or the Regulatory Flexibility Act (RFA) as required of rules issued by administrative agencies of the federal government. Reps. Childers (D-MS), Manzullo (R-IL), and Bachmann (R-MN) joined Congressman Gary Miller in offering the amendment.

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