



July 12, 2022

The Honorable Mark Takano  
U.S. House of Representatives  
Chairman  
Committee on Veterans' Affairs  
364 Cannon House Office Building  
Washington, D.C. 20515

The Honorable Mike Bost  
U.S. House of Representatives  
Ranking Member  
Committee on Veterans' Affairs  
3460 O'Neill House Office Building  
Washington, D.C. 20024

The Honorable Mike Levin  
U.S. House of Representatives  
Chairman  
Subcommittee on Economic Opportunity  
1030 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Barry Moore  
U.S. House of Representatives  
Ranking Member  
Subcommittee on Economic Opportunity  
1504 Cannon House Office Building  
Washington, D.C. 20515

Dear Chairman Takano, Ranking Member Bost, Chairman Levin, and Ranking Member Moore:

On behalf of the Mortgage Bankers Association (MBA)<sup>1</sup>, I am writing to share our views on the real estate finance industry's priorities regarding H.R. 7735, the *Improving Access to the VA Home Loan Benefit Act of 2022*, which will be included in the July 13, 2022, House Committee on Veterans' Affairs markup.

MBA supports approaches to modernize and streamline the homebuying process for our nation's veterans, including efforts related to home appraisals. While the role of mortgage lenders in the appraisal process is limited by design, MBA and its members are committed to working with policymakers and other stakeholders, including appraisers, to develop solutions that ensure borrowers receive a timely and accurate estimate of the value of their home. Improving the process by which appraisals for loans guaranteed by the Department of Veterans Affairs (VA) are conducted holds the potential to lower costs for veterans seeking to buy a home and make their offers more attractive in a highly competitive housing market. Reforms that achieve these objectives, therefore, can open access to more affordable, sustainable homeownership opportunities for active and retired servicemembers throughout the country.

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<sup>1</sup>The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 390,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of more than 2,200 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: [www.mba.org](http://www.mba.org).

MBA Comments Regarding H.R. 7735  
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H.R. 7735 would encourage important reforms to the VA requirements regarding when an appraisal is necessary, how appraisals are conducted, and who is eligible to conduct an appraisal. By directing the VA to examine updates to its existing rules and program guidelines, the legislation is a first step towards broad modernization of VA appraisal processes. First, the legislation directs VA to review appraiser certification requirements. Given the significant shortage of appraisers across the country, this review will provide an opportunity to responsibly expand the list of those eligible to conduct appraisals for VA-guaranteed transactions. This process improvement, in turn, should address delays in appraisal turn times and alleviate home seller concerns about borrowers using VA loans.

H.R. 7735 also would encourage VA to provide more clarity regarding its Assisted Appraisal Processing Program, which supplements the traditional appraisal process and has the potential to lower costs and reduce turn times by permitting individuals other than appraisers to collect property information. This is a promising alternative to traditional appraisals, though lenders and appraisers need additional guidance for it to achieve its full benefits. The legislation would direct VA to revisit its policies on minimum property requirements, the selection and review of comparable sales, and quality control measures – each of which could streamline the appraisal process and encourage broader participation in the VA Home Loan program. These process improvements would further reduce hurdles to home sellers accepting offers from borrowers using VA loans.

Finally, H.R. 7735 provides an opportunity for VA to explore the use of waivers or other alternatives to traditional appraisals (such as desktop appraisals or expanded use of Automated Valuation Models). While VA will determine whether such alternatives are appropriate for VA-guaranteed lending, this analysis is an important component of modernizing its processes to create an improved experience for veteran homebuyers.

In conclusion, and for all the foregoing reasons, MBA strongly supports H.R. 7735. We appreciate your efforts to address this critical set of housing issues impacting our nation's veterans during your July 13 markup. We look forward to working together going forward to make the VA Home Loan program as efficient and effective as possible.

Best regards,



Bill Killmer  
Senior Vice President  
Legislative & Political Affairs

cc: All Members, Committee on Veterans' Affairs