

To All PAASD Members:

Just in case you haven't received this message directly from a la mode.... PAASD hopes you will please take the action requested. Bev Luke
Executive Secretary, PAASD

To: All appraisers

Re: The HVCC must be stopped — here's how

From: David Biggers, Chairman, a la mode, inc.

The reason for this memo is not to sell you anything. **It's to alert you to the havoc which will be wreaked on your business by the new HVCC regulations, and to give you a way to act now and get the attention of Washington – without costing you a penny.** We have to act now to stop it, because the commentary period on the proposed regulation ends this Wednesday.

In case you don't know yet, the new regulations came out of a lawsuit brought by the New York Attorney General against Washington Mutual and eAppraiseIT, centered on coercion of appraisers. In a settlement agreement spawned by the suit, the GSEs (Fannie Mae and Freddie Mac), and the Office of Federal Housing Enterprise Oversight (OFHEO) agreed to change national appraisal rules – in exchange for the Attorney General's office terminating its investigation of the GSEs.

Unfortunately, while we believe the agreement has the best of intentions, the hastily written embedded regulations (called the "Home Valuation Code of Conduct", or HVCC) do not solve the problem and in fact severely punish appraisers, and ultimately consumers. If there ever was a case of the cure being worse than the disease, this is it.

The aspects of the HVCC which damage appraisers and consumers are too numerous to list (see the articles in AppraisalPress describing and analyzing the HVCC by [clicking here](#)). But first and foremost is the nearly universal mandate that lenders utilize some form of AMC to conduct all ordering of appraisals. The value of the client relationships you've nurtured, many times for decades, could disappear immediately under the HVCC as lenders are forced to shift their orders to AMCs. You won't even be able to speak to your current clients' loan officers again if the HVCC is left as-is. And the negotiated fees offered by the AMCs will many times be half or less of what you normally get independently.

Ponder that possibility for a moment. Imagine your current gross income cut in half. Does the HVCC feel like a solution, or a problem?

In addition, the HVCC is littered with loopholes which drive lenders toward AVMs and BPOs to reduce the lender's liability. Almost any interaction with an appraiser under the HVCC brings with it legal ramifications, yet AVMs and BPOs are specifically cited and expressly exempted from control, disclosure, and coercion provisions. Those loopholes create a regulatory playing field skewed even more aggressively against appraisers than what has existed to date.

You clearly need to do everything you can to stop the HVCC. Right now.

That's why we've made it easy for you to take immediate action. It'll take you less than sixty seconds to help save your business. Just go to our political action page and we'll send your comments directly to the powers-that-be. Click here to get started:

<http://www.alamode.com/action>.

In addition to passing your comments on electronically, we will actually print each of your letters on paper and physically deliver all of them to the OFHEO, Fannie Mae, Freddie Mac, the New York State Attorney General, and others, on the Wednesday, April 30th

commentary deadline. A few days from now is too late. That's why we need your action right now.

This isn't the last you'll hear from a la mode on this issue; we've used our considerable resources in Washington to hire top-flight lobbyists, law firms, and marketing and PR firms solely to defeat the HVCC and protect your business. Since this is an election year, we have a tight schedule to meet. But on the flip side, the mortgage crisis is front and center on the national agenda, and your elected officials (and the media) need to know how you feel about it and the economic impact it will have on their constituents. We will provide you additional guidance very soon on how to best utilize the local media and how to best influence your local, state, and national politicians. There are some key election battlegrounds where we will absolutely need you to create some noise to get the attention of influential members of Congress and the administration. We'll keep you advised.

It will only take a few minutes of your time right now, and a little more later, when you call on your local and national elected officials. But you have to do it or your appraisal business will be severely damaged. **So, if you haven't already, please go to <http://www.alamode.com/action> now.**

By the way, I know that appraisers are inherently skeptical and some may assume that this is a ploy to collect marketing information from you. Not at all. **The information you provide will be used for these political action alerts exclusively, and will not be mixed in with our sales and marketing databases.**

Thanks for reading this, and thank you in advance for your help.

Dave Biggers
Chairman
a la mode, inc.

P.S. Please forward this message to every appraiser you know, immediately. Time is of the essence, as is unity. We can argue later over the details of the best alternative to the HVCC. But first we need to stop the current HVCC from becoming federal policy. It's a disaster, and must be stopped, right now.