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Office of Information and Regulatory  
Affairs of the Office of Management  
and Budget  
Attention: Desk Officer for the Federal  
Housing Finance Agency  
Washington, D.C. 20503

**Submitted via email to: OIRA\_submission@omb.eop.gov**

Re: Proposed Collection; Comment Request:  
Minimum Requirements for Appraisal  
Management Companies, (No. 2018-N-08)

Dear Desk Officer,

I write in formal response to the Notice in request for Public Comments published by the Federal Housing Finance Agency (the “FHFA”) regarding the Proposed Collection by the FHFA entitled the “Minimum Requirements for Appraisal Management Companies, (No. 2590-0013),” pursuant to the Paperwork Reduction Act of 1995. (83 Fed. Reg. 36931-36935 (July 31, 2018)) (the “Notice”). This Proposed Collection concerns the possible amendment of State and Federal law governing real estate appraisers and appraisals offered in support of federally related consumer real estate transactions. And, specifically, this request for comments concerns the bureaucratic functioning of the FHFA with respect to the reporting and recordkeeping duties to be imposed upon the FHFA by federal law. The FHFA has asked the public to comment on four subjects, and I quote: “(1) [w]hether the collection of information is necessary for the proper performance of FHFA functions, including whether the information has practical utility; (2) the

accuracy of FHFA's estimates of the burdens of the collection of information; (3) ways to enhance the quality, utility and clarity of the information collected; and (4) ways to minimize the burden of the collection of information on respondents .,," (83 Fed. Reg. 36931-36935 (July 31, 2018)). I offer comments fully in support of the proposed minimum collection standard as presently drafted as to the FHFA.

As one nation, the United States possesses an historical diversity in its legally recognized forms of real property, by both type and use. American citizens and residents will, in the future, continue to create many increasingly more complex and sophisticated transactional agreements in written contract for the transfer of real property to both consumers and business entities.

The right of owning real property, the right to own a residence of one's own, is a foundation of liberty and of self-governance. This perception of the inherent value of real property as being attendant to freedom is truly noted in an era of the gainful employment of both professional and vocational unmarried women and men, as well as of unmarried yet same-sex partners. Thus, it is to be presumed that more and not fewer appraisers within the States and Territories will seek to participate in federally regulated transactions. Without a guiding system of didactic regulatory compliance, such as been proposed, Americans and residents in less sophisticated and more provincial regions will not benefit to the extent possible in the course of ordinary interstate commerce.

It is the legal acknowledgement of the right to a permanent situs of residence, usually by recognition of title, from which one may exercise one's right of electoral franchise. Only with an interest in real property may one participate in government and determine one's own life, future actions and place in America. For, in the words put forth by Sir William Blackstone:

the thought of the most usual and universal method of acquiring a title to real estates is that of alienation, conveyance, or purchase in its limited sense: under which may be comprised any method wherein estates are voluntarily resigned by one man, and accepted by another; whether that be effected by sale, gift, marriage settlement, devise, or other transmission of property by the mutual consent of the parties.

(*Commentaries on the Laws of England*, Bk II, Chap. 19, 287). In some manner, since the day of Blackstone (1723-1780) such numerous and varied means of tendering real estate for value have required an assessment and an agreement upon the value of the real property.

Then and now, real property consumer transactions rely upon the skill and expertise of nonparties to the transaction in order to support the agreed upon opinion as to the value of the real property being transferred. The expertise of these third parties, such as appraisers of real estate, possess influence as governance of the attribution of value. We are still remedying the Anglo-Saxon form of property once existing in the American Colonial era when indentured labor

was personal property. Presently, relative to the purchase of land as a stick in our bundle of property rights, perhaps a fair and reasoned regulation of the services of an appraiser of real property might be in order.

Pursuant to the Notice, under currently existing, jointly promulgated rules, the FHFA and three additional federal agencies, namely: the Board of Governors of the Federal Reserve System (the “Board”); the Federal Deposit Insurance Company (the “FDIC”) and the Office of the Comptroller of the Currency (the “OCC”) govern Appraisal Managing Companies (an “AMC” or the “AMCs”) in fifty-five state and territories. (83 Fed. Reg. 36931-36935 (July 31, 2018)). The AMCs are comprised of a minimum number of licensed and certified real estate appraisers who grant appraisals in support of federally related consumer real estate transactions. *Id.*

At the discretion of the AMC, an AMC may either chose to register as an appraisal management services business with a State created agency that certifies, licenses and regulates real estate appraisers. Or, it may, instead, conduct such a business as a federally regulated AMC, under the auspices of one of the previously enumerated federal financial agencies, namely the: Board, FDIC, FHFA, or OCC.

Each AMC reports certain information and engages in record keeping and governance of the meritocratic work product standards and ethical conduct of its member appraisers. The AMCs would be named to a national registry of managing companies. Each State would, for itself and on behalf of the AMCs overseen by one of the three federal agencies, submit collected information from the AMCs to an Appraisal Subcommittee (the “ASC”) of the Federal Financial Institutions Examination Council (the “FFIEC”) for creation of a national registry. (83 Fed. Reg. 36931, 36932 (July 31, 2018)). The AMCs are responsible at a fundamental level below, both the state and federal governments, for ensuring the due and credible qualifications and ethical work product of their licensed and certified appraisers, as determined by law. This is a national standard applicable to all.

It is proposed in the Notice, that the purpose and function of the FHFA do not require that the FHFA participate in the collection of information as would be envisioned by the regulations. Yet, it has been suggested that, though FHFA participation would be required, the four agencies have agreed that the duties imposed as to recordkeeping and reporting as to AMCs that become owned or controlled by a federal agency will only be divided among the three federal agencies governing depository financial institutions, for the entities governed by the FHFA may not become an owner of an AMC as may those entities regulated by the other federal agencies under current law, (83 Fed. Reg. 36931-36933 (July 31, 2018)).

The Notice states that the FHFA would, however, retain, with the other three agencies, its one-fourth share of the obligatory federal oversight burden of review of the reports tendered to the ASC by States which register AMCs. The FHFA would also retain one-fourth of the burden of reviewing the State registration systems in development and State compliance with substantive issues of with legal and ethical standards.

The foregoing bureaucratic duties and obligations of the FHFA are not excessive, and are more than within its obligatory purpose and duty. Federal regulation establishing a minimum

standard for a uniform system of compliance in consumer real estate transactions is one of essential notions of imposing a governing didactic of honesty and fairness within the marketplace. Such notions are essentially, in America, premised upon the time honored historical principles of the republican form of government since the historical times of Ancient Rome.

This proposed collection is a uniform, national system of review founded upon a uniform required reporting and recordkeeping applicable even to the smallest of America's real estate markets involved in federally related transactions. Uniformity in governance from above, a principle of federalism, provides efficiency and economy to the fifty states and five jurisdictions to which this law governing federally real estate lending and appraisals applies.

This regulatory system, even as to the FHFA, provides a comprehensive method that yields quality and increasing merit in the development of appraisal methodology and governance. According to the Notice, as of July 26, 2017, only **five** of the governed 55 states and jurisdictions “**do not** possess a system for registering Appraisal Management Companies” (83 Fed. Reg. 36931-36933 (July 31, 2018)) (emphasis added). And, more importantly, according further to the Notice, there are only 200 AMC's currently registered. (83 Fed. Reg. 36931-36933 (July 31, 2018)). The question then is whether participation in the collection currently, or will in the future, pose a burden upon the FHFA to a greater extent than its purpose justifies participation.

With respect to the inclusion of the FHFA in the national regulation of appraisers and its requisite periodic burden as to recordkeeping and reporting, national uniformity as to the smallest of transactions and the least sophisticated of consumers is the hallmark of American democracy, justice and fairness. This system of regulations provides a *de minimis* level of State and Federal regulation, a “level floor of competency” below which the nation's real estate appraisers in federally supported transactions may not go.

In no way does or could this duty of reporting and recordkeeping pose a burden upon the FHFA requiring a commitment of resources outweighing its due allocation and use of resources. It is by no means excessive or greater in any extent than the purpose of the FHFA as an agency. Under the proposed collection, the FHFA will not participate to the full extent as the other three federal financial institution regulatory agencies. For, the FHMA may not, under current law, obtain indirect ownership of or control over an AMC, as the other federal agencies may through a regulated depository institution as an intermediary.

In the context of the Proposed Collection, the FHFA should consider that it is the role of the Director of the Office of Management and Budget to:

promulgate rules, regulations, or procedures necessary to exercise the authority provided by this chapter.” It is designed to reduce, minimize and control burdens and maximize the practical utility and public benefit of the information created, collected, disclosed, maintained, used, shared and disseminated by or for the Federal government.

5 C.F.R. §1320.01.

The Director increases the efficiency of American government through managing participation. The Director enables an agency to more greatly achieve its statutory purpose. The reduction of the regulatory duty and burden of the FHFA to the extent based upon its inherent purpose, function and bureaucratic structure is a reasoned reduction in agency paperwork and it has been so agreed upon by the agencies. No further reduction would enable the FHFA to enable struggling home buyers or restore our market of residential housing with adequate financial safety and soundness. When the reduction in agency duty is premised upon a lowering of the review standard required of real estate appraisers and real property is the fundamental asset supporting the difficult consumer transaction, the inherent purpose of the FHFA is undermined.

I thank you greatly for considering my thoughts and concerns. Please contact me as indicated above if you would require additional information.

Sincerely,

*Lori G. Nuckolls*

Lori Gayle Nuckolls, Esq.

cc: Federal Housing Finance Agency,  
via email to: RegComments@fhfa.gov

cc: [www.regulations.gov](http://www.regulations.gov)