![National Association of REALTORS® logo]

June 21, 2022

The Honorable Sandra Thompson
Director, Federal Housing Finance Agency
Federal Housing Administration
451 7th Street, S.W., Washington, DC 20410

Re: Comments / No. 2022-N-6
FHFA-27, Fair Lending Oversight Data System

Submitted via: https://www.fhfa.gov/open-for-comment-or-input

Dear Director Thompson:

On behalf of the 1.5 million members of the National Association of REALTORS® (NAR), I welcome the opportunity to comment on the Federal Housing Finance Agency's (FHFA) proposal *Fair Lending Oversight Data System* (*No. 2022-N-6*). The National Association of REALTORS® is America's largest trade association, including NAR's five commercial real estate institutes and its societies and councils. REALTORS® are involved in all aspects of the residential and commercial real estate industries and belong to one or more of some 1,200 local associations or boards, and 54 state and territory associations of REALTORS®. NAR represents a wide variety of housing industry professionals, including approximately 25,000 licensed and certified appraisers, committed to the development and preservation of the nation's housing stock, along with its availability to the widest range of potential homebuyers.

NAR appreciates the FHFA's efforts to further fair housing and advance equal access to mortgage finance. We support the FHFA proposal *Fair Lending Oversight Data System* (*No. 2022-N-6*) that would allow the FHFA to monitor and enforce compliance with the Fair Housing Act and Equal Credit Opportunity Act (ECOA) by the Enterprises, and to share the data with other government regulators and agencies for the same purpose. This novel dataset will help the agency to enforce fair and equal access to mortgage finance, supporting access to the American Dream of homeownership.

REALTORS® are Committed to Fair Housing and Fair Lending

REALTORS® support the strong and fair enforcement of the fair lending provisions of the Fair Housing Act and the Equal Credit Opportunity Act, which prohibit discrimination in consumers' access to credit on prohibited bases.

Our livelihood and business as REALTORS® depend upon the free-flow of stable mortgage financing to make the American Dream a reality for qualified borrowers. Broad access to homeownership requires a housing market that is free from discrimination. Discrimination distorts the marketplace and prevents qualified buyers from accessing housing opportunities. Our economy, our communities, and the American people suffer when discrimination artificially constrains homeownership and limits the intergenerational wealth it builds. Conversely, when strong fair lending laws and practices are in place and enforced, all boats are lifted.

Better Data Will Yield Better Insights

Because housing discrimination is often hidden, it is essential that regulators take proactive steps to uncover differential treatment in the marketplace through data analysis. We know that better data provides better insights. The Home Mortgage Disclosure Act dataset has been expanded in recent years to include additional data such as credit scores and loan-level pricing that will help regulators to evaluate differences in mortgage access and pricing for different borrowers. Making additional lending data available for fair lending and fair housing

research, investigation, supervision, and enforcement will help ensure a robust compliance environment where discrimination is ferreted out and addressed.

As the FHFA expands the data on valuation it incorporates into its fair housing database, NAR recommends it include more than just appraiser name and identification. Information such as the appraisers' geographic competence and years of experience will shed light on differences in the quality of appraisals, and whether these differences can be connected to instances of alleged bias. Furthermore, information on the channel through which the appraiser was sourced, whether traditional, board, or an appraisal management company and name, will yield insight into the impact of intermediaries in the appraisal industry and any discriminatory trends pertaining to different kinds of appraisal sources. Finally, information on whether a property received an appraisal waiver and the use of an automated valuation model and the type, will help to explain the varying impacts of AVMs and variances in quality and accuracy of appraisals. REALTORS® support innovation in real estate and new valuation solutions should always be assessed for their potential benefits, as well as their possible adverse impacts, to valuation quality and accuracy.

Further Collaboration

Once again, thank you again for your efforts to support the nation's homeowners and housing market through this pandemic and future stress events. We appreciate the opportunity to discuss the proposed database detailed in this letter. If you have any questions or comments, please feel free to reach out to Alexia Smokler (ASmokler@Nar.Realtor), Director, Fair Housing Policy & Programs.

Sincerely,

Leslie Rouda Smith
2022 President, National Association of REALTORS®