

*Announcement 09-01*

*January 7, 2009*

*Amends these Guides: Selling*

## *Home Valuation Code of Conduct*

### **Introduction**

In Lender Letter 01-08, *Home Valuation Code of Conduct Comment Period*, Fannie Mae announced that it had entered into an Agreement (“the Agreement”) with the Office of Federal Housing Enterprise Oversight (OFHEO) and the New York Attorney General on March 3, 2008, adopting the Home Valuation Code of Conduct (“the Code”). The Code has been adopted to help reinforce the independence of the appraiser as well as to enhance the overall integrity of and confidence in the national housing finance system. As part of the Agreement, a comment period was established to allow all industry participants an opportunity to provide comment on the implementation of the Code. Fannie Mae, Freddie Mac, the Federal Housing Finance Agency (FHFA) (formerly named OFHEO), and the New York Attorney General amended the Code based upon the feedback provided and upon further analysis. The purpose of this Announcement is to provide an overview of the amendments and to present the revised Code to lenders.

### **Amendments to the Code**

The following is an overview of the changes to the Code since the original Agreement was signed on March 3, 2008:

- **Transfer of appraisals:** A lender may now accept an appraisal ordered by a different lender, provided the lender that ordered the appraisal complied with the Code. A transferred appraisal is acceptable when a mortgage broker has facilitated the mortgage application, but not in instances when the mortgage broker ordered the appraisal.
- **In-house appraisers:** A lender may now rely on appraisals performed by a lender’s in-house appraisal staff if they meet the specific requirements outlined in section IV.B (1)-(8) of the revised Code.
- **Appraisal management companies:** The lender’s ownership of or affiliation with an appraisal management company is no longer restricted. However, any appraisal management company that provides the lender with an appraisal must adopt written policies and procedures implementing the revised Code.
- **Quality control:** The lender is required to provide Fannie Mae with a report of any adverse, negative, or irregular findings related to appraisal reviews conducted as part of its quality control testing.

This list is only an overview of the significant changes. Lenders must review the revised Code to ensure they are in compliance with all aspects of it.

### **Adoption of the Code**

Fannie Mae, FHFA, and the New York Attorney General agreed that Fannie Mae implement the Code beginning May 1, 2009. Therefore, by delivering loans to Fannie Mae, lenders represent and warrant that appraisals conducted in connection with single-family mortgage loans, other than government-insured and -guaranteed loans, with application dates on or after May 1, 2009 conform to the Code. Lenders may view the revised *Home Valuation Code of Conduct* on [eFannieMae.com](http://eFannieMae.com).

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Lenders who have questions about Announcement 09-01 should contact their Customer Account Team for additional information.

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