



**National Association of Federal Credit Unions**

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**Fred R. Becker, Jr.**  
*President and CEO*

July 30, 2009

The Honorable Barney Frank  
Chairman  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Spencer Bachus  
Ranking Member  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman Frank and Ranking Member Bachus:

I am writing on behalf of the National Association of Federal Credit Unions (NAFCU), the only trade organization exclusively representing the interests of our nation's federal credit unions, to urge the Committee to take up and pass H.R. 3044, which would extend the implementation date of the Home Valuation Code of Conduct.

The Home Valuation Code of Conduct (HVCC) was originally proposed to address valuation mechanisms within the primary and secondary housing markets, and encourage impartiality in the appraisal process. Among other provisions, the HVCC requires that employees responsible for selecting and communicating with appraisers be independent of those producing and processing home loans and prohibits substantive communications between the two sides. The HVCC has been adopted by Fannie Mae and Freddie Mac, who will no longer purchase single-family mortgage loans from lenders that do not agree to follow these rules.

NAFCU supports the goal of maintaining appraiser independence and we agree with the Code's intent. However, we are concerned that the HVCC would place a significant burden on credit unions, and their members would be forced to ultimately bear the cost of compliance. Many credit unions are small institutions or have small lending operations and therefore, bestow multiple responsibilities on their employees. The Code's requirement of complete separation of employee duties would impose a significant cost burden on these small institutions to wholly segregate responsibilities, hire additional staff, or utilize costly outside appraisal management companies. Additionally, the HVCC has resulted in increased costs of appraisals, lower appraisal quality and delays in loan processing.

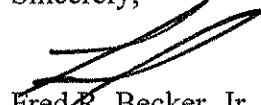
H.R. 3044, introduced by Representative Childers, would impose an 18-month moratorium on the HVCC as of the date of the bill's enactment. While this extension would not resolve the

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problem for credit unions entirely, it would provide more time for Fannie Mae and Freddie Mac to revise and modify the Code to address our concerns and prevent other unintended consequences. NAFCU strongly urges the Committee to take up and pass this importance piece of legislation in a timely manner. We look forward to working with you to make this possible.

If we can answer any questions or provide you with further information on this matter, please do not hesitate to contact myself or NAFCU's Director of Legislative Affairs, Brad Thaler, at 703-522-4770.

Sincerely,



Fred R. Becker, Jr.  
President/CEO

*Mr. Chairman - We will  
truly appreciate your support  
on this important issue!*

cc: The Honorable Travis Childers  
Members of the House Financial Services Committee