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January 8, 2004

The Honorable Donald Manzullo  
Chairman, Committee on Small Business  
United States House of Representatives  
2361 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Manzullo:

On behalf of the more than 25,000 members of the Appraisal Institute, American Society of Appraisers and the American Society of Farm Managers and Rural Appraisers, thank you for conducting a hearing on the Department of Housing and Urban Development's ill-advised efforts to implement a final rule altering the real estate settlement process.

Each year millions of American families become homeowners. For years now, the housing market has been the driving force in our economy. Nevertheless, even real estate investments, which include homes and investments, come with risk. The appraisal is an important safeguard in the investment process and serves to protect homeowners and financial institutions and helps them assess that risk. The new RESPA rule will allow lenders to bundle appraisals along with other services and never inform the buyer as to who is providing the appraisal or what level of service has been performed. This is as anti-consumer as any rule we can imagine.

As your hearing on January 6 so clearly illustrated, HUD stands alone in support of its proposal. Consumer advocates, financial institutions and all settlement service providers are united in opposition. Our organizations are also appalled to learn that HUD has ignored two letters from the House Committee on Small Business. Given HUD's disregard for public opinion and Congressional inquiry, we ask for your help. We urge you to introduce legislation overturning this regulation under the power of the Congressional Review Act before a final rule is implemented. HUD's "bundle" has become a runaway train that Congress can and should stop.

If our organizations can be of assistance, please contact Don Kelly, Vice President of Public Affairs, Appraisal Institute at 202-298-5583 or [dkelly@appraisalinstitute.org](mailto:dkelly@appraisalinstitute.org), Ted Baker, Executive Vice President, American Society of Appraisers at 703-733-2109 or [tbaker@appraisers.org](mailto:tbaker@appraisers.org), or Steve Runyan, Government Relations Chair, American Society of Farm Managers and Rural Appraisers at 661-747-6458 or [srunyan@bak.rr.com](mailto:srunyan@bak.rr.com).

Sincerely,

Appraisal Institute  
American Society of Appraisers  
American Society of Farm Managers and Rural Appraisers