



Local Knowledge ... Nationwide

1901 West 47th Place, Suite 350
Westwood, KS 66205-1834

Phone: 913-261-1800
Fax: 913-261-1801

IRR-Residential Chairman Provides Testimony Before House Subcommittee

Washington DC (June 19, 2009)—The Chairman of IRR-Residential, Kevin Nunnink, MAI, SRA, MRICS, testified Thursday, June 18 before the Oversight and Investigations Subcommittee of the House Financial Services Committee. The purpose of the hearing was “Strengthening Oversight and Preventing Fraud in FHA and other HUD Programs.”

“An independent appraisal serves as a safeguard for the protection of current and future parties to the loan transaction, including the borrower, the originating lender, the secondary market participant and as we are now seeing - the taxpayer. Any effort to circumvent the independence of the appraised value heightens mortgage risk,” Nunnink testified.

Nunnink explained that of all the professionals involved with the mortgage origination process, the appraiser is frequently the only professional that visits the property, implicitly for purpose of providing due diligence for their lender client by inspecting the property and making sure that it has sufficient value to support the intended loan.

He told the committee that appraiser separation is particularly important in today’s mortgage industry where virtually all mortgage originators sell their mortgage paper into the secondary market and thereby hold minimal long-term loan risk.

“An independent appraiser makes it much more difficult to initiate mortgage fraud,” he said. “That is why we support legislation and regulations that increase the separation between contingent fee real estate mortgage professionals and the appraisal process.”

Other hearing participants included: the Inspector General of the Department of Housing and Urban Development, the Chairman of the Mortgage Bankers Association, the EVP of the National Community Reinvestment Coalition, President of the National Association of Mortgage Brokers and a representative of the American Land Title Association.

Following is a link to the Subcommittee website that provides access to a video of the hearing and related documents: http://www.house.gov/apps/list/hearing/financialsvcs_dem/oihr_061109.shtml

About IRR-Residential

IRR-Residential is a national residential appraisal organization based in Kansas City. IRR-Residential has nearly 50 affiliate offices across more than 40 markets and 22 states. The company fulfills valuation services in all 50 states through its affiliates and independent appraisal firms.

For more information on the company, visit www.IRR-Residential.com or call 913-261-1800.