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# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

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### **FHFA ANNOUNCES HOME VALUATION CODE OF CONDUCT**

**Washington, DC** – Federal Housing Finance Agency (FHFA) Director James B. Lockhart announced that Fannie Mae and Freddie Mac will implement a revised Home Valuation Code of Conduct (Code) effective May 1, 2009. The Code is based on an agreement between the Enterprises, the New York State Attorney General Andrew Cuomo and FHFA to improve the reliability of home appraisals. Following a comment period on the original Code, modifications were made by the Enterprises to reflect comments received. The revisions will facilitate implementation in the marketplace.

The revised Code builds on existing Fannie Mae and Freddie Mac seller-servicer guidelines to increase the reliability of appraisals for loans sold to the Enterprises for their portfolios or for securitization. The Code applies to lenders that sell single-family mortgage loans to the Enterprises beginning May 1, 2009 and will help assure that borrowers, homebuyers and secondary mortgage market investors receive fair and independent property valuations.

“The Enterprises have a strong interest in ensuring the soundness of the appraisal practices that lead to appraisal reports supporting the mortgage loans they purchase from lenders,” said Director Lockhart. “FHFA supports this effort by the Enterprises to strengthen the appraisal process against the possibility of improper influence and coercion. The Code strikes a balance of assuring enhanced protections for appraisers while maintaining lender ability to address unprofessional appraisal practices and to perform quality controls on appraisals received. I appreciate the work of Fannie Mae and Freddie Mac on the Code and of the Attorney General’s Office throughout the process.”

Fannie Mae and Freddie Mac will be providing information on the Code to market participants in early January to address implementation questions in advance of the May 1, 2009 effective date.

[Link to HVCC Code](#)

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*The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$6.2 trillion in funding for the U.S. mortgage markets and financial institutions.*