

## United States Senate

June 8, 2022

The Honorable Sandra L. Thompson  
Director  
Federal Housing Finance Agency  
400 7<sup>th</sup> St, SW  
Washington, DC

Dear Director Thompson,

Montanans are struggling to deal with historically high housing prices and a 35 percent drop in the supply of homes for sale. The Federal Housing Finance Agency (FHFA) has an opportunity to address part of this problem and promote affordable, sustainable housing through taking steps to modernize the appraisal process. I write to request that FHFA actively pursue ways to leverage new technology to streamline and improve the appraisal process, such as through increased use of automated valuation models (AVMs) and other appraisal process improvements.

Workforce shortages in the appraisal industry have made the process of obtaining an appraisal extremely difficult across Montana, and impossible in certain regions. In many cities across eastern Montana, there exists only one licensed residential appraiser. This in effect means that even if new inventory becomes available, which is infrequent, the inability of the would-be buyer to get an appraisal can prevent a sale from occurring. This situation needlessly exacerbates the housing supply crisis while simultaneously leaving everyone worse off.

Fortunately, technology exists to help alleviate this issue. By compiling large amounts of data in less time than traditional valuations, appraisers, investors and lenders can leverage AVMs to get a more accurate value for their property. While many of the first AVMs were powered solely on public records, they now source information from a multitude of data points, allowing appraisers to deliver faster results with less manual effort and more accuracy. I urge the FHFA to make this technology accessible in rural areas struggling to value homes during a shortage of appraisers. AVMs have the potential to lower costs for buyers and borrowers, while reducing processing times, particularly in rural areas where the alternative is not an in-personal appraisal, but no appraisal at all. FHFA should work with stakeholders across the housing industry to achieve these efforts and produce favorable outcomes for everyone.

My staff and I are available to discuss this request at any point. Thank you in advance for your consideration and I look forward to your reply.

Sincerely,



STEVE DAINES  
United States Senator