



Coalition of Appraisers in Nevada

June 29, 2009

Coalition of Appraisers in Nevada
Michael L. Brunson,
2009 Vice President and Government Relations Chair

Chief Justice James W. Hardesty
201 S. Carson Street
Carson City, NV 89701
(via fax: 775-684-1601)

FILED

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TRACIE LINDEMAN
CLERK OF SUPREME COURT
BY *[Signature]*
CHIEF DEPUTY CLERK

Dear Chief Justice Hardesty:

ADKT 435

Thank you again for the opportunity to address the court regarding the draft rules required by AB149.

In response to a question from Justice Cherry, you asked me to provide a suggestion regarding the best way to state Rule 7(b) in regard to a reasonable time-frame for appraisals presented by the beneficiary of a deed of trust. The Coalition of Appraisers in Nevada (C.A.N.) realizes that this law will affect foreclosure law in the current market and in future markets that may be stable or increasing.

In a typical market, appraisals are considered viable for a period of up to six months. Recent and historical guidance from Fannie Mae, Freddie Mac and HUD implies that a 90-day period provides a credible indication of market activity in appraisals completed during increasing or declining markets. Therefore, I would suggest that Rule 7(b) be amended to read,

“...shall produce any **current** appraisals that it may have with respect to the real property that is subject to the deed of trust upon which the Beneficiary is attempting to foreclose. **Appraisals are considered current when the effective date of the appraisal is no greater than six months prior to the scheduled mediation date in a stable market or 90 days prior to the scheduled mediation date in an increasing or declining market.**”
(new text in **Bold**)

In response to a question from Justice Gibbons, you asked me to provide a list of appraisers that would be willing to provide appraisal services to parties involved in the Foreclosure Mediation program. C.A.N. is currently generating that list and will provide it to the court as soon as possible. If there is a deadline for this information please advise me and we will work within that deadline.

Finally, Rule 7(b) requires the beneficiary to, “prepare an estimate of the “short sale” value...” C.A.N. would like to point out that while “short sale” and “value” are defined terms, there is no generally accepted definition of “short sale value”. In the context of the rule it appears that the court intends for the beneficiary to provide a price at which the property might be listed if agreement on a loan modification is not reached.

Sincerely,

[Signature]

Michael L. Brunson,
2009 Vice President and Government Relations Chair
Coalition of Appraisers in Nevada