5/11/2026

The Honorable Douglas A. Collins
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary Collins,

On behalf of the undersigned organizations representing real estate appraisal professionals across the country, we write to express our strong support for the Department of Veterans Affairs' long-standing appraisal framework, and particularly the continued use of the VA fee panel system.

The VA home loan program remains one of the federal government's most successful pathways to homeownership, opening doors for millions of veterans and military families who might otherwise face barriers to entering the housing market. By design, VA loans often serve borrowers with little or no down payment and limited initial equity. That mission is one of the program's greatest strengths, but it also underscores the importance of sound underwriting and accurate collateral valuation. When a mortgage program is built to expand access while protecting both borrowers and taxpayers, independent appraisals are not an administrative formality; they are a critical safeguard.

The performance of the VA loan program has long demonstrated that expanding access to credit and maintaining prudent risk management are not mutually exclusive. Despite serving borrowers who, in many cases, begin with higher leverage than those in conventional mortgage products, VA loans have consistently performed well through changing market cycles. That success is not accidental. It is the product of a system built on disciplined underwriting, responsible oversight, and a valuation process designed to prioritize quality, independence, and accountability.

As recent federal discussions around mortgage credit, appraisal modernization, and housing access continue to evolve, including those prompted by recent executive branch actions and related congressional interest, we recognize that policymakers are appropriately looking for ways to improve efficiency and enhance the veteran borrower experience. We support thoughtful reforms where they can remove unnecessary friction from the process, including updates to certain legacy property requirements where those standards no longer reflect today's housing market or unnecessarily delay transactions. We also believe there is an opportunity to work collaboratively with the Department to strengthen appraiser recruitment and retention within the VA program, particularly in rural and underserved markets where geographic coverage can be more challenging.

At the same time, we are concerned that proposals framed around affordability or administrative efficiency could unintentionally place downward pressure on appraisal compensation or further commoditize the valuation process. Such outcomes may discourage participation by experienced appraisers, reduce coverage in harder-to-serve markets, and ultimately make it more difficult for veterans to access timely, credible valuations when and where they need them most.

What should not be lost in this conversation, however, is the strength of the existing VA appraisal structure itself.

The VA fee panel has, for decades, provided a level of oversight, consistency, and appraiser independence that distinguishes the VA program from other housing finance models. By relying on trained, vetted appraisers selected through a direct VA process, the Department has built a system that emphasizes geographic competency, valuation credibility, and independence from the market pressures that can accompany third-party assignment structures. In many respects, it has provided one of the strongest appraisal quality-control frameworks in federal housing policy.

We are concerned that proposals to replace the fee panel with a more intermediary-driven assignment model, including those that rely heavily on appraisal management companies, could unintentionally weaken these safeguards. While such proposals may be framed around speed or administrative efficiency, changes that reduce direct VA oversight or place additional emphasis on cost-driven assignment practices risk undermining the independence and quality controls that have helped make the VA program a success.

At a time when veterans continue to rely on the VA home loan benefit in an increasingly competitive housing market, preserving confidence in the valuation process is more important than ever. If alignment across federal housing programs is the goal, the answer should not be to lower the standards that have served veterans so well. Rather, policymakers should examine how the strengths of the VA model can inform broader housing finance reforms.

We appreciate your leadership and your continued commitment to ensuring that veterans have access to safe, sustainable homeownership opportunities. We stand ready to work with the Department as these conversations continue and to support reforms that improve efficiency while preserving the integrity of the valuation process that protects veterans, lenders, and taxpayers alike.

Sincerely,

Appraisal Institute

American Society of Appraisers

American Society of Farm Managers and Rural Appraisers

National Association of Appraisers

MBREA

Cc:

Margarita Devlin, Principal Deputy Under Secretary for Benefits

Patrick J. Zondervan, Executive Director, Loan Guaranty Service