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SUPERINTENDENT

## MEMORANDUM

**TO:** Sam Langholz, Senior Legal Counsel and Special Advisor  
**CC:** Jeff Plagge, Superintendent of Banking; Rod Reed, Finance Bureau Chief  
**FROM:** Brandy March, Executive Officer, Real Estate Appraiser Examining Board  
**DATE:** March 27, 2020  
**RE:** **Real Estate Appraisers are an “Essential Business”**

In light of recent business closures in connection with the COVID-19 pandemic, the Real Estate Appraiser Examining Board (“**Board**”) has been fielding phone calls from real estate appraisers seeking guidance on whether Iowa has restricted, or plans to restrict, the ability of appraisers to provide appraisal services in Iowa, or to waive or relax appraisal standards of practice. At its March 25, 2020, meeting the Board voted to submit information to Governor Reynolds in support of a conclusion that real estate appraisers are an “essential business.”<sup>1</sup> I am submitting this MEMORANDUM on behalf of the Board.

As COVID-19 wreaks havoc on numerous sectors of our economy, avoiding a large-scale housing crisis akin to that which we experienced in 2008 is critical. As the number of refinances increases daily in response to the Federal Reserve’s continued interest-rate reductions, ensuring the underlying collateral is accurately valued is essential to avoiding a 2008-like outcome. To that end, the Board hopes that should the Governor decide to implement additional business closures or restrictions or implement a “shelter in place” order as part of any future Proclamation of Disaster Emergency, that appraisers be considered an “essential business” and excluded from any such future restrictions.

We are not alone in making this request, and would urge you to consider the following:

- U.S. Treasury Secretary Steven T. Mnuchin’s [March 22, 2020 Memorandum](#) making clear that the financial services sector constitutes Critical Infrastructure within the meaning of [Department of Homeland Security Guidelines](#). Consistent with federal guidelines, these service providers “have a special responsibility to maintain [their] normal work schedule.” This includes “workers who are needed to...provide consumer access to banking and lending services,...and, key third party providers who deliver core services,” *like appraisers*.
- This [letter](#) from five real-estate constituency groups<sup>2</sup> across the country.
- This [letter](#) from Peter Fontana and Jonathan Miller, sent to Congresswoman Maxine Waters and Senator Sherrod Brown on March 24, 2020, which persuasively makes the case that appraisers are an “essential business.”
- The Disaster or Emergency Proclamations or Guidelines issued by a number of other states and localities, many of which have included appraisers within the category of “essential business,” or other similar categories exempting them from closure or shelter-in-place orders.<sup>3</sup>

<sup>1</sup> We are not insensitive to, and are gravely concerned about, the public health risks that face appraisers and those with which they may come in contact as part of the appraisal process. However, from a state law and USPAP perspective, in-person inspections are not strictly required. So long as appraisers are able to obtain information that is sufficiently reliable so as to produce credible assignment results, an appraisal may be predicated on data and information not acquired in person.

<sup>2</sup> These groups include the American Society of Appraisers, the American Society of Farm Managers and Rural Appraisers, the Appraisal Institute, the Massachusetts Board of Real Estate Appraisers, and the National Association of Realtors.

<sup>3</sup> See e.g., Illinois, [COVID-19 EXECUTIVE ORDER NO. 8](#), p. 7 (March 21, 2020) (including appraisers within list of financial-institutions exempt from shelter-in-place order); Dallas, Texas, [SHELTER IN PLACE: Stay Home Stay Safe City of Dallas, FAQs](#), p.2 (last revised March 26, 2020) (including appraisers within list of essential critical infrastructure exempt from shelter-in-place order); Ohio Department of Public Health, [Director’s Stay at Home Order](#), p. 5 (March 23, 2020) (including appraisers within list of essential businesses or operations exempt from shelter-in-place order). See also [Compilation of Stay-At-Home-Orders](#).