



April 10, 2009

Robert E. Feldman  
Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17th Street, NW.  
Washington, DC 20429

Re: Legacy Loans Program – Asset Valuation Suggestion

Dear Mr. Feldman:

Thank you for the opportunity to provide comments to the Legacy Loans Program (hereafter LLP). The National Association of Broker Price Opinion Professionals (hereafter NABPOP) is providing this letter to offer a suggestion for LLP. NABPOP appreciates the initiative and efforts of the FDIC to help in the economic recovery.

**Suggestion:** Assuming that the FDIC will require property valuations for the properties involved in the LLP, NABPOP would like to suggest utilizing Broker Price Opinions (BPOs) performed by experienced real estate agents/brokers (hereafter BPO practitioners).

**Broker Price Opinion Defined:**

Broker Price Opinion - BPO is a method that a real estate agent or broker uses to estimate the probable selling price of a house. The estimate of price is submitted in a BPO report (2-3 pages) that includes an inspection of the subject house, subject neighborhood inspection and analysis, local and regional market information and trends, and comparable properties (comps) that are similar to the subject house. This method of estimating a selling price has similarities in methodology and report appearance to a residential appraisal and to a Comparative Market Analysis CMA.

BPOs offer a relatively fast turnaround time 1 - 4 days compared to an appraisal 1 – 2 weeks. BPOs are more cost effective typically \$30 - \$100 compared to an appraisal typically \$250 - \$450. According to valuation industry internal studies, BPOs are generally close to appraisals in accuracy. For more information about BPOs, please visit [www.nabpop.org/Advocacy-BPO.php](http://www.nabpop.org/Advocacy-BPO.php)

**Relevance of BPOs:**

The mortgage industry – banks, lenders, mortgage servicers – have utilized BPOs for years nationwide. BPOs are used for a variety of reasons (see <http://www.nabpop.org/Advocacy-BPOUsage.php> for Common BPO Usages) and according to industry estimates, over 5 million BPOs are performed annually across the country. BPOs provide critical information for decisions and have been widely adopted as a real estate pricing tool in the lending industry due to the fast turnaround time, cost effectiveness, and accuracy of BPOs.

**About NABPOP:** We feel that it is important to point out that there are professional organizations, such as NABPOP, specifically dedicated to the advancement of the BPO industry. NABPOP is a non-profit professional trade association of BPO practitioners. Members of NABPOP benefit from the professional advancement of robust BPO education, BPO training, a stringent BPO certification process, BPO job resources, an

association Code of Ethics, and networking that is offered through the association. We believe these features benefit the entire industry. NABPOP is dedicated to advancing the professionalism and competency of BPO practitioners therefore elevating the BPO industry and, in part, the real estate valuation industry. Although the priority of NABPOP is the association members, NABPOP also advocates BPO practitioners industry wide, regardless of affiliation, and any reference to "BPO practitioner" includes members and non-members.

**Conclusion:** BPOs have an established track record within the industry and has emerged as a reliable and accurate pricing tool. BPOs offer a relatively fast turnaround time for timely decisions. Loan servicers have utilized BPOs to make sound and adequately supported loan decisions for many years. BPOs have been widely utilized in the real estate industry. BPOs should be included as a valuation option in the Legacy Loans Program.

Questions can be directed to the following e-mail [Michael.Ramer@NABPOP.com](mailto:Michael.Ramer@NABPOP.com)

Thank you for the opportunity to provide comments and input.

Sincerely,



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Broker Price Opinion Professionals

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