



April 19, 2007

The Honorable Geoff Davis
United States House of Representatives
1108 Longworth House Office Building
Washington, DC 20515

Dear Representative Davis:

On behalf of the 30,000 members of our respective professional organizations, we congratulate you on the swift introduction and unanimous passage of H.R. 755, the Promoting Transparency in Financial Reporting Act of 2007. We believe this legislation will promote the development of more meaningful and transparent financial reporting processes in this country, and we look forward to working with you to see it enacted by Congress.

As you know, the Financial Accounting Standards Board (FASB) is promulgating new accounting standards to emphasize "market value"-based, or "fair value," concepts in financial reporting and to make its standards more consistent with international accounting and valuation standards. As it looks at the issue of "Valuation for Financial Reporting," FASB is exploring the option of using existing appraisal standards and standards-setting bodies for valuation standards, or establishing new standards altogether.

We strongly believe that the standards-setting bodies of our profession – The Appraisal Foundation in the United States and the International Valuation Standards Committee abroad -- are integral to the effective implementation of guidance on fair value and valuation for financial reporting. The appraisal profession has a well-developed and supported body of knowledge on market valuation, and is guided by the standards developed by these bodies, specifically, the Uniform Standards of Professional Appraisal Practice (USPAP) and the International Valuation Standards (IVS). We believe these standards can and should be utilized or referenced directly by FASB where asset valuation is required, instead of creating new standards.

As professional appraisal organizations, we believe establishing fair value or market value for real estate, business, personal property and other assets requires special training, and that this is best done by qualified real estate valuation professionals. The importance of having highly qualified real estate valuation professionals provide objective opinions of value is key to maintaining the integrity, safety and soundness of real estate financing in the United States, and it is no less important in the financial reporting sector.

We also believe greater reporting requirements on the part of the financial regulators involved in the financial reporting process -- including FASB, the Public Company Accounting Oversight Board and the Securities and Exchange Commission -- are critical to seeing a fair and effective implementation of new financial reporting requirements.

Thank you again for your leadership on this important bill and other issues involving the financial industry. Our organizations look forward to working with you and your colleagues in Congress as the foundation for financial transparency is laid.

Please don't hesitate to call Don Kelly, Chief External Relations Officer for the Appraisal Institute, at 202-292-5583 or dkelly@appraisalinstitute.org, or Peter Barash at 202-466-2221 or peter@barashassociates.com, should you have any questions.

Sincerely,

Appraisal Institute
American Society of Appraisers
American Society of Farm Managers and Rural Appraisers
National Association of Independent Fee Appraisers