RABUN COUNTY BANK
MEMBER FDIC

October 5, 2012

Mr. Robert Feldman, Executive Secretary
Attention: Comments/Legal ESS
FDIC
550 17th Street NW
Washington, DC 20429

RE: Appraisals for Higher Risk Mortgages
Docket ID: CFPB-2012-0031

To Whom It May Concern:

Thank you for the opportunity to comment on the proposed rules for Appraisals for Higher Risk Mortgages.

In response to the following proposed section:

Obtaining an additional appraisal from a different certified or licensed appraiser if the purpose of the higher-risk mortgage loan is to finance the purchase or acquisition of a mortgaged property from a seller within 180 days of the purchase or acquisition of the property by that seller at a price that was lower than the current sale price of the property. The additional appraisal must include an analysis of the difference in sale prices, changes in market conditions, and any improvements made to the property between the date of the previous sale and the current sale.

It is our opinion that this portion of the proposal would harm both the consumers and sellers of the properties subject to the proposed rule as well as the banks financing the transactions. Therefore, we strongly suggest that this section be removed in its entirety for the reasons detailed below.

- **Consumers –** Consumers will be negatively impacted the most with this proposal. The cost of an additional appraisal in combination with the limits on the rate that can be charged will make it unattractive for banks to offer these types of loans. This will reduce the amount of credit available to low to moderate income consumers, which is the group this rule seeks to protect.

- **Sellers/Investors –** This proposed rule has the potential to discourage investors from purchasing and improving homes that are currently for sale at low market prices either due to the inability to find a consumer that can obtain financing or having to lengthen the holding period of the property in excess of the prescribed 180 days. This rule interferes with the basic principles of supply and demand, and it could continue to depress an already struggling real estate market.
- **Banks –** Banks should not be responsible for ordering and paying for additional appraisals to justify the price of a piece of property being sold. The first appraisal, if done correctly, should represent a reasonable estimation of the value of a property. The Agencies' appraisal regulations already require appraisals for federally related transactions to comply with the requirements in USPAP. A consumer should be able to compare a certified appraised value from the first appraisal to the purchase price in order to determine if he/she wishes to continue with the purchase. Assuming that bank appraisals currently conform to USPAP standards, an additional appraisal is unnecessary.

Thank you for considering our comments before finalizing the rule.

Sincerely,

Tabitha Griggs, VP Compliance Officer
Rabun County Bank