

From: Mary Thompson [<mailto:lakelanierappraiser@gmail.com>]
Sent: Friday, January 04, 2019 12:43 PM
To: regs.comments@occ.treas.gov
Subject: Real Estate Appraisals

Docket No. R-1639 and RIN 7100-AF30 - To the **Federal Reserve**

"FDIC" and "RIN 3064-AE87—Real Estate Appraisals - To the **FDIC**

Real Estate Appraisals Docket ID OCC-2018-0038- To the **Treasury**

TO WHOM IT MAY CONCERN:

I would like to address the proposal..."rule to amend the agencies' regulations requiring appraisals for certain real estate-related transactions. The proposed rule would increase the threshold level at or below which appraisals would not be required for residential real estate-related transactions from \$250,000 to \$400,000".

I have read the entire proposal and there are many concerns which were addressed. The one statement which I wholeheartedly disagree with is the following: "However, the agencies also are aware that the cost and time of obtaining an appraisal can, in some cases, result in delays and higher expenses for both regulated institutions and consumers" *We are missing a very important fact here. The average reasonable and customary fee for an appraisal across the Country for a home in this price/lending point of \$400,000 and below is roughly \$400,00. We are talking about 0.1% cost of appraisal against loan amount of \$400,000. This is nothing in order to preserve public trust and get a significant amount of data and analysis of the market provided by the professional Appraiser. This small amount is passed onto the consumer, yes, however this is a very realistic amount that should be paid by someone entering into this large of a transaction and paid by lenders/banks to protect their investments.*

The other issues is many home buyers will unwittingly think that if the appraisal is waived, the lender is saying the property is worth the price they are paying. This is a very risky and false sense of reality.

There may be more time added to the loan process, but we are talking maybe a few days. Lenders are pretty picky about time frames and if the Appraiser does not produce a report in a timely fashion they will no longer receive orders. The lender is responsible for getting that order to the Appraiser in a timely fashion. Most lenders require a 5 working day turn time from the date the order is received. This is not a big deal. If the order is placed in a timely fashion delays that cost consumers will not happen!

As for the EVALUATION aspect. "Under the proposal, residential real estate transactions exempted by the proposed increase to a \$400,000 threshold would be required to obtain appropriate evaluations that are consistent with safe and sound banking practices". You are treading into a very slippery slope here with consumers and sound banking practice. Other non Appraisers would likely be completing these evaluations and again the Consumer suffers as do the lending institutions. The consumers will think they have an appraisal in hand rather than a true opinion of value from an Appraiser. If you do have Appraiser's complete these reports, they have to go through the same general process as an actual appraisal. The form is shorter but that is about it! Most lenders will require that they also follow USPAP and States also require this of Appraisers no matter what

appraisal they are completing. Good luck finding **COMPETENT** Appraisers who will complete these reports for much less than an actual appraisal. The same liability exists for evaluations as for an Appraisal. Ever heard the saying "You get what you pay for?" Well in the case of an evaluation that is exactly what you will get. Something less than intended.

Lenders are trying to close more deals more quickly. While at first it may seem great for Consumers, it is not. **Who wants to get into a home that is not worth it quicker?**

Let's all take a step back for a minute. As for the threshold up to \$400,000, the amount of loans originated in this Country under this figure is huge. Many will involve first time home buyers given the increases in Real Estate values since 1994. **First time home buyers need to be protected even more so than seasoned buyers.**

I DO agree with the following cited in the proposal: "The agencies concluded in the joint EGRPRA report to Congress (EGRPRA Report) ⁽³⁶⁾ that a change to the current \$250,000 appraisal threshold for residential real estate transactions would not be appropriate at that time, citing three reasons: A limited impact on burden reduction due to appraisals still being required for the vast majority of these transactions pursuant to the rules of other federal government agencies and the GSEs; safety and soundness concerns; and consumer protection concerns. ⁽³⁷⁾ However, the EGRPRA Report stated that the agencies would continue to consider possibilities for relieving burden related to appraisals for residential mortgage loans. ⁽³⁸⁾"

Bottom line is the CONSUMER. Let us put them first in all aspects of this proposal, both in confidence of the system and protections from valuation products that may be produced by others who are not Appraisers. I DO agree with the proposal that Consumers may not be able to understand the Evaluation product or its consequences. They will not get some of the very important details of the property they are purchasing, which many Consumers and Realtors want to have and make sure they are considered in the valuation product by an Appraiser.

Thank you for your consideration of my comments above.

Mary T. Thompson
Certified Real Estate Appraiser



Mary T. Thompson - **Voted Best Appraiser in Hall County-2018**
Hall County Board of Realtors - Committee Chairman of the Year Award - 2017
Hall County Board of Realtors - Affiliate Workhorse Award - 2013 & 2014
Lanier Appraisal Service-Lake Lanier Specialist
Certified Appraiser/Instructor C.E.Courses
[Website: www.lanierappraisalservice.com](http://www.lanierappraisalservice.com)
Blog: www.activerain.com/blogs/lakelanierappraiser

The content of this fax/e-mail message and any attachment thereto is confidential nonpublic information intended for the recipients named above. If received in error and you are not one of the above named recipients, kindly forward it back to the sender and then delete and disregard the message. You are further notified that the copying, distribution, or dissemination of this fax/e-mail and any attachment is strictly prohibited unless permission, in writing or by fax/e-mail, is received from the sender.

Furthermore, this e-mail message may contain company-client privileged communications or it may contain company work product, both of which are privileged. The privilege is not waived by fax or electronic transmittal.