

**From:** Steven W. Craddock, CDA, RAA, HMS, CDEI [<mailto:appraisals@appraisenc4u.com>]  
**Sent:** Tuesday, February 05, 2019 11:36 AM  
**To:** Comments  
**Subject:** Real Estate Appraisals - FDIC - RIN 3064-AE87

Agency – FDIC  
12 CFR Part 323  
RIN 3064-AE87  
Real Estate Appraisals

Good morning,

I appreciate the opportunity to comment on the proposed rule “to 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 speak on behalf of the views of America’s appraisers, WE DEMAND that you MUST NOT increase the threshold to ANY number above the current amount, which is at \$250,000. Truly, the number should be lower to better protect the real estate and banking industries.

Having a higher threshold above \$250,000 will insure that the state of the banking system (after the next economic crash that is on the near horizon) will become compromised to an extent that is likely irreparable. All one has to do is look at the past to see what DOES happen when the banking system runs awry: consumer confidence dies; housing startups decline; economic downturns begin; full-blown recessions occur; lending institutions and the GSEs need governmental bailouts; and the resulting long-term economic federal financial burden that creates permanent hardships for the people of the United States will be the long-lasting effect for years to come. Having fewer appraisals is not the answer to the banking system’s current or past issues.

To the contrary, appraisals, performed by licensed or certified real estate appraisers, are the independent voices in the lending process that cannot be replicated by any other “artificial means”. “Artificial” valuations created by computers cannot “see” like a human appraiser can. Computers cannot see the condition of a subject property’s interior or exterior. Computers cannot know a negative condition exists at the subject property. Computers cannot know that external obsolescence may exist near a subject property. Real estate appraisals, performed by humans, lessen the real “RISK” a financial institution may have during the loan process AND during the life of the loan. The risk for a financial institution rises significantly when an appraisal has not been performed, no matter the loan amount.

It is not logical to lessen appraisal requirements for homes between \$250,000 (the current threshold) and \$400,000 (the proposed threshold). Who, in their right mind, would think this is an intelligent decision? No one would. Americans deserve to have stability in the banking system and requiring human-derived real estate appraisals are the crux of that stability. Leave the threshold alone: do not increase the risk for financial institutions; do not increase the risk to borrowers; do not follow the same path that has occurred from inadequately written rules and regulations; do what is morally and ethically right regardless of the external and internal pressures that exist at your level.

Please protect the futures of financial institutions and borrowers by leaving the threshold at \$250,000, and protect our citizens’ largest investments – their homes.

Sincerely,

Steven W. Craddock, CDA, RAA, HMS, CDEI

- Expert Forensic Appraiser/Court Witness; Real Estate & Personal Property Appraiser;

- Author, Continuing Education (CE) Instructor; REALTOR®; Construction Consultant; Electrical Contractor;
- CDA Residential Designation, North Carolina Professional Appraisers Coalition, #D-030;
- RAA Residential Accredited Appraiser Designation, National Association of REALTORS®;
- HMS® International Designation, Institute of Housing Technologies;
- Certified Distance Education Instructor, IDECC, CDEI Certification #68086;
- NC Continuing Education (CE) Instructor at AppraiseNC4U Appraiser Education;
- Certified Residential Real Estate Appraiser in North Carolina, #A6528;
- Certified Residential Real Estate Appraiser in Virginia, #4001015045;
- Licensed Electrical Contractor in North Carolina, #13837-L;
- NCPAC, Past President 2017-2018, Officer/Board of Directors Member;
- NCPAC, Current Committee of 100 Member, Currituck County;
- Currituck County Planning Board, Board Member;
- Worldwide ERC®, Appraiser Member;
- International Society of Appraisers, Personal Property Candidate for Designation;
- FHA, HUD, USDA Approved Appraiser Roster in NC and VA;
- US Gov't Registered (SAM System);
- ANSI®, AMS®, BOMA® Measurement Standards Compliant;
- USPAP and UAD Compliant;
- NC Notary Public #2002-0430047.

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**PAYMENT OF APPRAISAL FEES LAW** (Effective 07/01/2014):

NC ADMINISTRATIVE CODE (NCAC) "21 NCAC 57D .0310 PAYMENT OF FEES TO APPRAISERS

(a) Appraisal management companies shall pay fees to an appraiser within 30 days of the date the appraisal is first transmitted by the real estate appraiser to the company as follows:

(1) If payment is made by electronic means, the funds for the fee shall be deposited into the appraiser's account so that they are available to the appraiser on the 31st day following the date the appraisal is first transmitted to the company.

(2) If payment is made by check, the check shall be postmarked no later than the 30th day following the date the appraisal is first transmitted to the company..."

**CREDIT/DEBIT CARD TRANSACTION FEES POLICY** (Effective 01/27/2013):

All invoices that are paid by credit/debit cards are subject to a 2.75% transaction/convenience fee. The maximum allowable fee in NC is 4.00%.

**LATE FEES POLICY** (Effective 01/01/2008):

All fees for services that we provide are due at the time of the original transmission of the product/invoice (to our Client) unless other arrangements have been made PRIOR to our acceptance of an assignment. All fees must be paid within 30 days. Day 1 of the 30 day period is the day after the date of the original transmission of the product/invoice. On day 31, all unpaid balances are considered late and late fees will

be applied to the unpaid balance due. The Annual Percentage Rate (APR) on unpaid balances is 18.00% or 1.50% per month on any unpaid balances.

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