

December 21, 2018

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
Washington, DC 20219

Ann E. Misback
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

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

RE: OCC Docket ID OCC-2018-0038; Federal Reserve Docket No. R-1639, RIN 7100-AF30; FDIC RIN 3064-AE87 Request for Public Hearing

The undersigned organizations are writing to request a public hearing, no fewer than 30 days after February 5, 2019, the final date for written comments in the above captioned rulemaking process. We believe that the history surrounding the question of the residential appraisal threshold compels a public hearing to be held for the benefit of both regulators and impacted stakeholders.

As the Office of the Comptroller of the Currency, the Federal Reserve, and the Federal Deposit Insurance Corporation (collective, the Federal banking agencies) can appreciate, we are not yet two years removed from the last time this question was discussed. As part of the Economic Growth and Regulatory Paperwork Reduction Act review completed in March of 2017, the agencies solicited both written comments and public testimony regarding whether to increase the residential appraisal threshold from \$250,000 to \$400,000. In that process, the agencies received 150 written comments on this specific issue, with opposition outpacing support by a 5-to-1 margin. The agencies also held six rounds of public hearings, where both panel discussions and statements from public attendees were heard.

We emphasize the recent deliberative EGRPRA process, and its relative closeness to this new proposal, to underscore the amount of resources that were used to reach the following conclusion in 2017:

Based on considerations of safety and soundness and consumer protection, the agencies do not currently believe that a change to the current \$250,000 threshold for residential mortgage loans would be appropriate.¹

Given the short timeframes between the prior conclusion and the current proposal, we are confused as to what indicators have changed to support such a stark and sudden reversal of what had been a settled position by the agencies.

¹ See *Joint Report to Congress, Economic Growth and Regulatory Paperwork Reduction Act*, p. 36.

For example, Congress has already provided a legislative solution² to the acute concern with appraiser supply in rural markets as identified in the Joint Report to Congress and that the agencies now propose to implement as part of this proposal. We also believe that many of the market forces that contributed to demand in the refinance market have significantly cooled, further ameliorating outsized demand for residential mortgage lending appraisal services.

Using the EGRPRA process as precedent for this specific issue, we believe that a public hearing, subsequent to the filing of written comments on the proposed rule, is not only appropriate but necessary to provide the agencies with a fully developed public record upon which to inform its decision, especially in light of the proximity to the last time the agencies last considered the same issue. By placing the hearing after the written comment period, the agencies will also hear from better informed stakeholders who can provide additional insight built on the written record.

As a final matter, we wish to make clear that the undersigned organizations reserve the right to file substantive comments in this docket, regardless of whether the agencies agree to hold a hearing or decline to do so.

If you have any questions or wish to discuss our views further, please contact any of the following individuals:

John D. Russell, JD, Senior Director of Government Relations for the American Society of Appraisers, at 703-733-2103 or by email at jrussell@appraisers.org;

Bill Garber, Director of Government and External Relations for the Appraisal Institute, at 202-298-6449 or by email at bgarber@appraisalinstitute.org;

Stephen Frerichs, Government Relations Consultant for the American Society of Farm Managers and Rural Appraisers, at 703-212-9416 or by email at sfrerichs8@comcast.net;

Stephen Sousa, Executive Vice President for MBREA, at 617-830-4530 or by email at steve@mbrea.org;

Leo Regensburger, National President for the American Guild of Appraisers, at (301) 377-0099 or by email at leoregensburger@appraisersguild.org; or, Michael Ford, Vice President Special Projects for AGA, at (714) 366-9404 or by email at mike@mfford.com;

Neil Shah, Regional Managing Director, Americas for RICS at 646-786-8352 or by email at nshah@rics.org; or,

Sehar Siddiqi, Policy Representative for the National Association of Realtors at 202-383-1176 or by email at SSiddiqi@realtors.org.

Sincerely,

American Society of Appraisers
Appraisal Institute
American Society of Farm Managers and Rural Appraisers
MBREA | The Association for Valuation Professionals
American Guild of Appraisers, OPEIU, AFL-CIO
Appraisers' Coalition of Washington
California Coalition of Appraisal Professionals
Illinois Coalition of Appraisal Professionals
Louisiana Real Estate Appraiser Coalition

National Association of Realtors
North Carolina Real Estate Appraiser Association
Northern Colorado Association of Real Estate Appraisers
North Dakota Appraiser Association
Ohio Coalition of Appraisal Professionals
RICS
South Carolina Professional Appraisers Coalition
Tennessee Appraiser Coalition
Utah Coalition of Appraisal Professionals

² See Pub. Law 115-174, Sec. 103.