

From: The Eastern Colorado Bank, Nick Neubauer  
Proposal: 1443 (RIN 7100 AD 90) Higher Risk Mortgages  
Subject: Reg. Z - Interagency appraisal requirements for higher-risk mortgages

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Comments:

Public Comments on Appraisals for Higher-Risk Mortgage Loans:

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Comment: I am writing to comment on one section of the proposed rulemaking regarding appraisals. The proposal states that a high-risk mortgage loan creditor would be required to obtain a second written appraisal at no cost to the borrower, under certain circumstances. I do not believe that this is a necessary requirement. The financial institution should not be punished for making a loan to a debtor that may not have optimal credit. What is the justification for making the financial institution cover the cost of a second appraisal?

If the intention was to stop fraudulent property-flipping, the seller should be responsible for covering the cost of the second appraisal. Please take this in to consideration when finalizing the rule!