

From: Dan Robertson
Subject: Appraisal and Evaluation Guidelines

Comments:

Date: January 15, 2009

Attention: Virginia M. Gibbs Senior Supervisory Financial Analyst

I am a certified general appraiser employed at International Bank of Commerce. I have reviewed the "Proposed Interagency Appraisal and Evaluation Guidelines" and have a concern with one of the proposed prohibitions in the selection of an appraiser. The proposed guideline states a collateral valuation program should ensure the selection process is nonpreferential and unbiased. I think the word "nonpreferential" should be stricken from the guideline.

I have worked for savings & loans and banks for the past 40 years. I have found there are approved appraisers on our roster that are preferred over others. Some appraisers are better qualified to deal with various property types and appraisal situations. Some appraisers have extended turnaround times. Some appraisers have more market knowledge in specific markets. Some appraisers are more professional in their handling of bank customers. These are some of the reasons we have a preference for one appraiser over another in the selection process. I don't think the option to select the most appropriate appraiser should be removed in an attempt to ensure appraiser independence. I think the word "nonpreferential" must have been erroneously included in an attempt to prohibit discrimination. To ensure appraisal quality we would like to continue to be preferential in the appraiser selection process. We prefer to utilize the best qualified appraiser appropriate for the customer, location, or situation in conjunction with a loan request.

I think it is a mistake to discourage lenders from utilizing preferred appraisers. The proposed guidelines will probably lead to some lenders utilizing AMCs to ensure nonpreferentially selected appraisers. It is very unfortunate the adoption of the Home Valuation Code of Conduct is resulting in lenders turning to AMCs to handle the appraisal ordering and review process. AMCs typically utilize the least qualified and least experienced appraisers since they agree to work for a discounted fee. They also agree to a quick turnaround due to their lack of business. My review of AMC appraisals indicate the appraisal fees have been in line with Non-AMC fees but the quality has been diluted. Their continued growth will result in the appearance of appraiser independence but at a greater risk to lenders.

I hope my points will be considered by those involved in the final version of the new appraisal and evaluation guidelines.

Thanks,
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International Bank of Commerce