

From: Welch State Bank, James Stoner
Proposal: 1443 (RIN 7100 AD 90) Higher Risk Mortgages
Subject: Reg. Z - Interagency appraisal requirements for higher-risk mortgages

Comments:

Title: Appraisals for Higher-Risk Mortgage Loans

Submitter Info:

First Name: James

Last Name: Stoner

Organization Name: Welch State Bank

Comment: My name is James Stoner and I'm the President of the Welch State Bank. We are a community bank in a town of 600 people. Most of our customers live in a rural, agriculture environment. I would like to comment about the requirement for a licensed appraiser for all higher risk mortgage loans. This will be detrimental to us and more importantly to our borrowers. If the house the borrower is purchasing or refinancing is located in our area we do an evaluation instead of hiring a licensed appraiser. This costs the consumer half of what the regular appraisal would cost them and takes less time. Further more we have several issues with regular appraisers coming in and having issues with not finding enough comparable sales in the area and going out of area to get them. This leads to the property being valued at way too much or too little. The second problem we have is the large variety of houses we have. We have everything from large homes to mobile homes and shop buildings with a residence built in half the building and the other half used as a shop. Several appraiser have started calling these commercial appraisals and now charge \$1,200 to \$1,400 instead of \$450. We have extensive knowledge with these types of buildings and have no problem evaluating them and we have a good track record with this type of loan. So by requiring that all appraisals be made by a licensed appraiser won't ensure better quality appraisals and will only increase the cost to the consumer. Sometimes the extra cost would be as much as a thousand dollars. I don't think this is what your intent is.