

From: Collateral Evaluation Services, LLC, George R Mann

Subject: Appraisal and Evaluation Guidelines

Comments:

My comments on the proposed interagency guidelines follow:

I believe it would be helpful if this document defined the term "threatened".

The word "value" should be deleted from the definition of Sum of Retail Sales and wherever it is discussed. Sum of Retail Sales does not provide any kind of value indication.

Entrepreneurial Profit is actually Entrepreneurial Incentive as used in this document (see 4th Edition of The Dictionary of Real Estate Appraisal).

The Abundance of Caution should make it clear that loan terms must be less than a 10-year amortization, with a full repayment within one or two years being most appropriate.

The Agencies have said that the "Value" definition also applies to proposed projects - i.e. that Value is the lesser of project cost (excluding entrepreneurial incentive) or appraised value "at completion." This should be added to the definition.

Add "in writing" back to the Evaluation Content list.

Evaluation Options might be a more appropriate term than Evaluation Alternatives (throughout the guidelines).

Define or clarify "final credit decision."

Thanks again for the opportunity to comment.

Sincerely,

George R Mann, MAI, SRA, MRICS
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Collateral Evaluation Services, LLC