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June 9, 2014

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
400 7th Street, SW, Suite 3 E-218
Mail Stop 9W-11
Washington, DC 20219
Docket ID OCC-2014-0002
regs.comments@occ.treas.gov

Robert E. Feldman, Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
RIN 3064-AE10
comments@fdic.gov

Ms. Monica Jackson
Office of the Executive Secretary
Bureau of Consumer Financial Protection
1700 G Street NW
Washington, DC 20552
Docket No. CFPB-2014-0006
www.regulations.gov

Robert deV. Frierson, Secretary
Board of Governors of the Federal
Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Docket No. R-1486
regs.comments@federalreserve.gov

Gerard Poliquin, Esq.
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428
regcomments@ncua.gov

Alfred M. Pollard, General Counsel
Federal Housing Finance Agency
Eighth Floor, 400 Seventh Street, SW
Washington, DC 20024
RIN 2590-AA61
RegComments@fhfa.gov

Re: Minimum Requirements for Appraisal Management Companies

Ladies and Gentlemen:

The Independent Community Bankers of America (ICBA)¹ appreciates the opportunity to comment on this proposed interagency regulation. The agencies are requesting comment on proposed regulation to establish minimum requirements for appraisal management companies (AMCs) as required by section 1473 of the Dodd-Frank Act. As proposed, AMCs would be required to be registered in the AMC National Registry, and be supervised by either: a State

¹ The Independent Community Bankers of America® (ICBA), the nation's voice for nearly 7,000 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education, and high-quality products and services.

ICBA members operate approximately 24,000 locations nationwide, employ almost 300,000 Americans, and hold more than \$1.3 trillion in assets, \$1 trillion in deposits, and \$800 billion in loans to consumers, small businesses, and the agricultural community. For more information, visit www.icba.org.

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appraiser certifying and licensing agency, or a subsidiary that is owned and control by an insured depository institution or an insured credit union and is supervised by a Federal financial institutions regulatory agency.

In general, ICBA supports the proposal which should improve oversight of this critical aspect of the mortgage lending industry. Many community banks are required to use AMC's to provide appraisal services for loans which are sold into the secondary market. Most large correspondent mortgage investors require the use of certain AMC's for loans that they purchase. Many of these AMC's are subsidiaries of these investors. Unfortunately, in some rural or small town markets, those AMC's may not have appraisers from those local markets as part of their network. In some cases this has caused the AMC to bring in appraisers who are not familiar with the local market. This has led to poor service and poor quality appraisals resulting in loans being rejected by the investor and, at times, a community bank unable to provide a fixed rate mortgage loan to meet their customers' needs. In many instances, there may be a qualified local appraiser who could have performed the appraisal; however, the local appraiser was not part of that AMC's network or preferred not to affiliate with an AMC. ICBA hopes that with better oversight and supervision of AMC's and, in particular, where an insured depository owns and controls the AMC, the quality of service and the appraisal product will improve in all markets.

ICBA is concerned that this proposed rule and any subsequent regulation regarding AMC's not prevent or impede community banks from using local independent appraisers or staff appraisers to provide appraisal services for the bank. Community banks have used local appraisers and in-house appraisers successfully for years for loans that are retained in portfolio as well as for loans sold directly to the GSEs. Community banks can and do comply with all rules and regulations regarding appraiser independence. As such, while many correspondent mortgage investors require the use of an AMC for loans they acquire from third parties, community banks continue to prefer to use local or in-house appraisers as much as possible. ICBA strongly supports this long standing prudent business practice and urges the agencies not to create rules or regulations that could further interfere with this business and possibly result in some community banks exiting the mortgage lending business.

ICBA appreciates the opportunity to comment on these proposed regulations and looks forward to working with the agencies on the implementation of these rules. If you have any questions regarding this comment letter, please contact the undersigned at ron.haynie@icba.org.

Sincerely,

Ron Haynie
Senior Vice President- Mortgage Finance Policy
Independent Community Bankers of America

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