

February 3, 2019

To: FDIC, the Board of Governors of the Federal Reserve System, and the Office of the Comptroller of the Currency (the Agencies)

From: The Board of Directors of the REAL ESTATE APPRAISERS ASSN. (CA.) - North Bay Chapter and signed member below

RE: OPPOSITION to proposed Appraisal Threshold for Residential Real Estate Loans

On November 21, 2018, a notice of proposed rulemaking titled Real Estate Appraisals (Appraisal NPR) was published in the Federal Register for a 60-day comment period. The Appraisal NPR proposes to increase the threshold for residential real estate transactions requiring an appraisal from \$250,000 to \$400,000, for the above Agencies.

In light of the recent Financial upheaval of the entire US Housing Market from 2007-2011; We, the Board of Directors of the REAA - North Bay and the active member below, OPPOSE the rulemaking change for the following reasons:

- The proposal to increase the residential appraisal threshold level from \$250,000 to \$400,000 will exempt nearly three quarters of residential real estate related financial transactions from appraisal requirements.
- We, the current members of REAA are active Licensed and/or Certified Appraisers, in the state of CALIFORNIA and appraising some of the most complex properties in the nation.
- We, the current members of REAA are highly trained Appraisers, following the Federally Mandated guidelines of The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice* (USPAP), and The Financial Institutions Reform, Recovery, and Enforcement Act of 1989. (United States federal law) and more recently The Dodd-Frank Act. (The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 was created as a result of the Savings and Loan crisis, in order to stabilize the U.S. Real Estate market, and add qualified and highly trained Appraisers for all Federally-related transactions.)
- The INCREASE in threshold exemptions, by the aforementioned regulated institutions would only require an appropriate "evaluation" of the real property - nowhere in the proposed RULE MAKING CHANGES is any comments on the minimum amount of training, testing, education requirements and/or regulation by the current State Appraisal agencies for the individuals/banking institutions performing "evaluations."
- Our US Real Estate Market will be at grave risk, when almost 75% of real estate transactions will be "evaluated" by people who do not have the same level of training, education, experience, competency as Federally Regulated and State licensed appraisers. Allowing Unlicensed "evaluators" into the financial real estate markets, who are not held to a consistent high standards of professional competency will also create confusion on the part of the consumers, who may think that these "evaluators" are also Licensed or Certified Appraisers, when they are not.

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- We view these proposed RULE MAKING CHANGES as dangerous and reckless, to the financial health of the current US Real Estate Market. We recommend leaving the current \$250,000 Residential Appraisal Threshold in place.

Sincerely,

Cynthia Dwyer

Cynthia Dwyer

Certified Appraiser, California, AR018219