May, 24, 2019

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
400 7th Street SW, Suite 3E-218
Washington, DC 20219

Ann E. Misback
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Robert E. Feldman, Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

RE: Appraisal Threshold

The Association of Texas Appraisers strongly recommends retaining the current $250,000 threshold for real estate appraisals in federally related transactions.

By most standards the economy is currently thriving. The stock market is near record highs, unemployment is near record lows and the U.S. is undergoing one of the longest continuous economic expansions ever. With all these positive economic indicators it might seem reasonable to raise the de minimis limit. But this threshold, and other such safeguards, were not designed for when the economy is strong. They were designed as protection for when the economy is weak,

Nobody knows when the next recession will occur, how long it will last or how severe it will be. The only certainty is that it will happen. When it does, those in the mortgage lending industry will be used to a long stretch of uninterrupted prosperity. Banks and other lenders will have already made their forecasts, not factoring in the contracting economy. Some lenders will fail to see the contraction when it arrives, others, faced with the prospect of missing sales goals and dwindling compensation, will look the other way. This is when the appraisal threshold will offer necessary protection to mortgage lending industry, GSEs, the related financial markets and in turn to the American public.

Thank you for your consideration,

Steve Kahane
Treasurer, Association of Texas Appraisers