

Meeting Between Staff of the Federal Reserve Board and the Missouri Bankers Association September 29, 2017

Participants: Eric Belsky, Matthew Luecke, Margaret Miller, Chad Davis, Yao-Chin Chao, Megan Drefchinski, Maureen Yap, Anthony Cain, Carmen Holly, Kirin Walsh, and Jim Michaels (Federal Reserve Board)

Robert Barrett (Heritage State Bank), Susan Barrett (Heritage State Bank), Robert Barton (Bank Compensation Consulting), Tyler Bender (Midwest Regional Bank), Charles Brazeale (TPNB Bank), Scott Breckenkamp (First State Community Bank), Shaun Burke (Guaranty Bank), Jeffrey Carr (Hawthorn Bank), Daniel Combs (First State Community Bank), Carl Cook, Jr. (Missouri Bankers Association), Jennifer Cowell (Federal Home Loan Bank of Des Moines), William Dana, Jr. (Central Bank of Kansas City), Karen Garrett (Stinson Leonard Street), Dennis Hagemann (Bank Star), Larry Harris (Polsinelli PC), Mark Jenkins (Bank of Billings), Stephanie Kalahurka (Fenimore, Kay, Harrison & Ford), John Klebba (Legends Bank), Tyler Knott (BANK21), Stephanie Landwehr (Community Bank of Missouri), Emily Lewis (Missouri Bankers Association), Brice Luetkemeyer (Bank of St. Elizabeth), Jeanette Marcel (BankOnIT), Russell Marquart (Central Bank of the Ozarks), Dennis McIntosh (Ozarks Federal Savings and Loan), Harlod Miles, Jr. (Bank of Advance), Amber Morrow (Federal Home Loan Bank of Des Moines), Florine Porter (Armstrong Teasdale LLP), Joseph Porter, Jr. (Armstrong Teasdale LLP), Daniel Putrah (TPNB Bank), Adam Rainey (Bank of Advance), David Slater (BANK21), Randall Smith (Bank Compensation Consulting), Joseph Stewart, III (Bank Star), Donald Thompson (First State Community Bank), Mark Thompson (Country Club Bank), David Tribble (Farmers Bank of Northern Missouri), David Turner (Hawthorn Bank), Martha Vieira (RCSBank), Richard Weaver (Federal Home Loan Bank of Des Moines), Jacob Wilson (Bank of Weston), Theodore Wilson (Bank of Weston)

Summary: Staff of the Federal Reserve Board met representatives of the Missouri Bankers Association and its member banks to discuss, among other issues, appraisal issues related to the notice of proposed rulemaking on Real Estate Appraisals (Docket No. R-1568). The Missouri bank representatives expressed concern about the shortage of appraisers in rural areas, which they asserted leads to higher costs and delays. Participants asserted that banks understand the value of local properties better than appraisers from other areas. Participants generally supported the proposed threshold increase, but some stated that it would not help that much. Further, participants expressed concerns about the evaluation requirements, indicating that they are onerous, time consuming, and too complex due to staff limitations. One participant requested that the evaluation requirements be reduced for smaller sized loans. Additionally, participants expressed a variety of concerns related to appraisals generally, including (1) that appraisals provide no value for agricultural loans because the credit decision should be made based on other factors, such as credit risk and commodity prices; (2) banks should be able to rely on appraisals that are more than one year old; and (3) appraiser education requirements should be reduced.