

April 9, 2018

Mr. Jim Park, ASC, Executive Director  
Federal Financial Institutions Examinations Council  
1401 H Street, NW, Suite 760  
Washington, DC 20005

**Re: Docket # AS-18-03**

Dear Mr. Park and the Board of the ASC,

The Appraisal Subcommittee has posted notice of a request for a Temporary Waiver from TriStar Bank in Dickson, Tennessee and have requested comments. The American Bankers Association (ABA) appreciates the opportunity to provide comments on the request of TriStar Bank. The request directly involves the subjects of appraiser shortages, costs, and delays, which are extraordinarily controversial amongst the appraisal stakeholder community. The matters involved herein continue to be priority issues to many of our member banks, and have varying impact across different regions of the nation.

The question of whether a shortage of appraisal capacity exists has become a top policy debate in real estate finance circles. Our members continue to express concerns about mounting timeframes in finding professionals and completing valuations, especially in the rural regions of the country. The issue of “shortages” is less about banks and appraisers, and more about the impact directly felt by consumers when delays occur in transactions. In the market, the so-called “shortages” come in various forms: absence of professionals with localized expertise, unusually long delays in scheduling appraisals, or even lack of qualified appraisers in certain regions. Any delay or inability to find an appraiser for an assignment translates to a “shortage” in the eyes of the consumer, as that consumer faces restrictions in terms of windows of opportunity regarding financing, interest rates, and/or property availability. Appraisal professionals have explained that there may be insufficient numbers of available licensed or certified appraisers in specific market areas; that fees being paid to fee appraisers are deficient or inadequate; that timeframes may be extended when the type of property being appraised is non-traditional; that timeframes may be extended when there are lack of comparable properties; that there are conflicts with the timing requirements under TRID (LE) forms regarding the fee disclosures; that there are changes in processes due to the use of AMCs; that there are extended travel times to deeper rural areas which in turn impact the timeliness of the appraisal. Whatever the reason, the banks in many of these communities clearly feel an impact in the availability of timely appraisals and qualified appraisers.

ABA strongly supports the appraisal community and their critical role in the lending function. We believe the changes made by the Appraisal Qualification Board that become effective in May

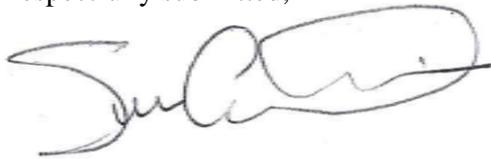
<sup>1</sup>The American Bankers Association is the voice of the nation’s \$17 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2 million people, safeguard \$13 trillion in deposits and extend more than \$9 trillion in loans.

2018 will lower barriers of entry, but the changes will take time to become effective and provide some of the relief needed for lenders and borrowers.

ABA is not aware of specific statistical data to prove or disprove the premise of appraisal shortages in the middle Tennessee region. However, members of this board, as representatives of the prudential regulators, have been aware of the issues that banks face in meeting the loan demand and requirements to adhere to safe and sound lending practices, and the collateral impact on the lending community and borrowers. Likewise, ABA is fully aware of the complexities involved in valuation issues and the task of assuring strong internal asset quality risk management at the bank level. We think it is critical to properly manage the waiver requests and agree with the need to maintain robust field examinations to ensure that the underlying portfolios at these banks remain sound. The FFIEC Council is well equipped to assess the inherent risks in any temporary waiver solution for this problem.

The ABA strongly urges the FFIEC Council to review the facts in this request as well as the needs of the middle Tennessee market within these four counties included in the waiver request, to make the best decision for that marketplace.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sharon L. Whitaker". The signature is fluid and cursive, with a large initial "S" and "W".

Sharon L Whitaker  
VP, Commercial Real Estate Finance  
Mortgage Markets Financial Management & Public Policy