



**American Society
of Farm Managers
& Rural Appraisers**

THE MOST TRUSTED RURAL
PROPERTY PROFESSIONALS

December 14, 2017

Mr. Arthur Lindo, Chairman
Mr. James Park, Executive Director
The Appraisal Subcommittee
1401 H Street N.W. Suite 760
Washington, D.C. 20005

RE: Temporary waiver requests under 12 U.S.C 3348(b)

Dear Executive Director Park and Chairman Lindo:

The American Society of Farm Managers and Rural Appraisers (ASFMRA) would like to voice concern over the recent rise in temporary waiver requests. Recently, Federal financial institution regulators informed financial institutions about the provision referenced above that allows the Appraisal Subcommittee (ASC) to waive any requirement relating to certification or licensing of a person to perform appraisals. Subsequently, at least two financial institutions submitted requests for temporary waivers.

We believe it is incumbent upon the ASC and the Federal Financial Institutions Examination Council (FFIEC) to examine each request in-depth and to challenge the requesting institution to fully substantiate the basis for the request. Where ever there is doubt, the waiver should be denied to avoid financial risks.

An important factor when evaluating a waiver request is the reason why there may be a limited number of appraisers available to perform assignments for a specific institution. Is the institution making unreasonable demands for turnaround of the appraisal or could the fee be less than reasonable and customary? This is not a valid basis for granting a waiver.

Additionally, history has repeatedly shown the resultant harm that arises when lending standards are relaxed to allow institutions to originate more loans, more quickly and more cheaply. The Office of the Comptroller of the Currency recognized "looser underwriting standards" as the cause of their concern regarding commercial real estate (CRE) loans. With temporary waivers restricted to appraisals in federally related transactions, waivers would be mainly affecting CRE loans. As such it is obligatory for the FFIEC and the ASC to avoid decisions that will add to the risk, such as allowing unqualified individuals to perform valuations.

Finally, it is imperative for FFIEC and the ASC to move carefully when considering a temporary waiver request to make certain the basis of the request is supportable, that the need for a waiver is genuine, and most importantly, that granting a waiver will not expose the institution, its depositors, shareholders and the taxpayer to unacceptable levels of risk.

Please feel free to contact ASFMRA for further information or with questions by phoning our Executive VP/CEO, Brian Stockman at 303-692-1211.

Sincerely,

David GaNun, ARA
ASFMRA President