



THE WILLIAM FALL GROUP

Real Estate Valuation and Analysis

December 26, 2017

VIA email: webmaster@asc.gov and

Regular U.S. Mail

Jim Park

Executive Director

Appraisal Subcommittee

1401 H Street, Suite 760

Washington, DC 20005

Dear Jim,

My colleagues and I at The William Fall Group are greatly concerned about the recent waiver requests from two banking institutions concerning the requirement for use of state licensed or certified appraisers as authorized under Title XI. Fundamentally this erodes the Public Trust and compromises the confidence in the system that ensures independent valuation of real estate, usually attached to the most valuable asset for the people involved.

I found it noteworthy that one of the metro areas cited is Nashville, TN. Understandably this area of the country is experiencing positive growth with corresponding demand increasing as one would expect. However, this type of market condition often creates overheated pricing and is the poster child for maintaining adherence to appraisal practice as defined within Title XI and related documents.

Further, we performed some quick research that while un-scientific renders good evidence that there is no obvious stress in the current system. Note – according to public records, the Nashville area has about 1500 property transfers a month through October 2017. This compares to a very similar level of activity for 2016.

Checking the ASC listings for appraisers in Nashville yields a headcount of about 100 residential and 72 certified general. Just using the residential headcount, this works out to about 15 appraisals per month per appraiser. Granted this calculation does not factor for refinances and other circumstances that require the use of an appraiser. But the 100-appraiser count does not include certified general appraisers who may be doing residential work.

Also, a brief review of mortgage companies in the area indicated that their typical closing time from loan application remains in the 30-45-day timeframe. As you know we also own an appraisal management company that is active nationally. Our operations group reports turn times in Nashville to be under 8 calendar days, similar to Memphis by the way.

Bottom line, I do not believe the waiver request from the banking institutions is supported through review of market indicators. And I certainly continue to have elevated concern for compromising the value of an appraisal inherent to a real estate decision. Please do not allow the waiver to be granted.

Thank-you for your time Jim. Please contact me with any questions.

Respectfully,



William Fall, MAI, SRA, ASA
Chief Executive Officer