

Lori L. Schuster

From: Julian Lightle <jlightle@lightleappraisal.com>
Sent: Tuesday, January 2, 2018 3:16 PM
To: webmaster@asc.gov
Subject: Please Consider The Risk of Appraisal Waivers

I am writing to voice concern over the recent temporary waiver request in Tennessee, sent to the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council (FFIEC) from TriStar Bank, a Tennessee community bank.

TriStar's request for a temporary waiver of appraisals for 2018 is based on an unsubstantiated claim that there is a shortage of appraisers to do their work in Metro-Davidson County (Nashville), Williamson County (Franklin, Brentwood), Maury and Dickson Counties. Within four counties addressed in the TriStar letter, there are 317 licensed or certified appraisers (131 Certified General).

How could there 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.

Furthermore, according to Title XI, if granted, the requirement to use a certified or licensed appraiser on Federally Regulated Transactions (FRTs) would be waived for all regulated institutions engaging in FRTs in the affected geographic area, regardless of who initially requested the waiver. This could undermine the entire appraisal process and set negative precedence across the nation.

Allowing institutions to have the ability to hire untrained, unlicensed/regulated appraisers is a disaster waiting to happen for banks, secondary mortgages, and the Farm Credit System. Granting waivers would expose the institutions, depositors, shareholders and taxpayers to unacceptable levels of risk. 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.

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