

February 13, 2018

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

Via Electronic Mail to: jim@asc.gov

Re: Temporary Waiver Request of TriStar Bank

Dear Mr. Park:

The undersigned organizations reiterate our concern over the Temporary Waiver Request of TriStar Bank, and we urge the ASC to reject the request as having not satisfied the criteria for under ASC regulations. Under these regulations, a request will not be deemed received by the ASC unless it **fully and accurately** [emphasis added] sets out:

- The requirement or requirements of State law from which relief is being sought;
- A description of all significant problems currently being encountered in efforts to comply with title XI;
- The nature of the scarcity of certified or licensed appraisers (including supporting documentation);
- The extent of the delays anticipated or experienced in obtaining the services of certified or licensed appraisers (including supporting documentation);
- The reasons why the requester believes that the requirement or requirements are causing the scarcity of certified or licensed appraisers and the service delays;"

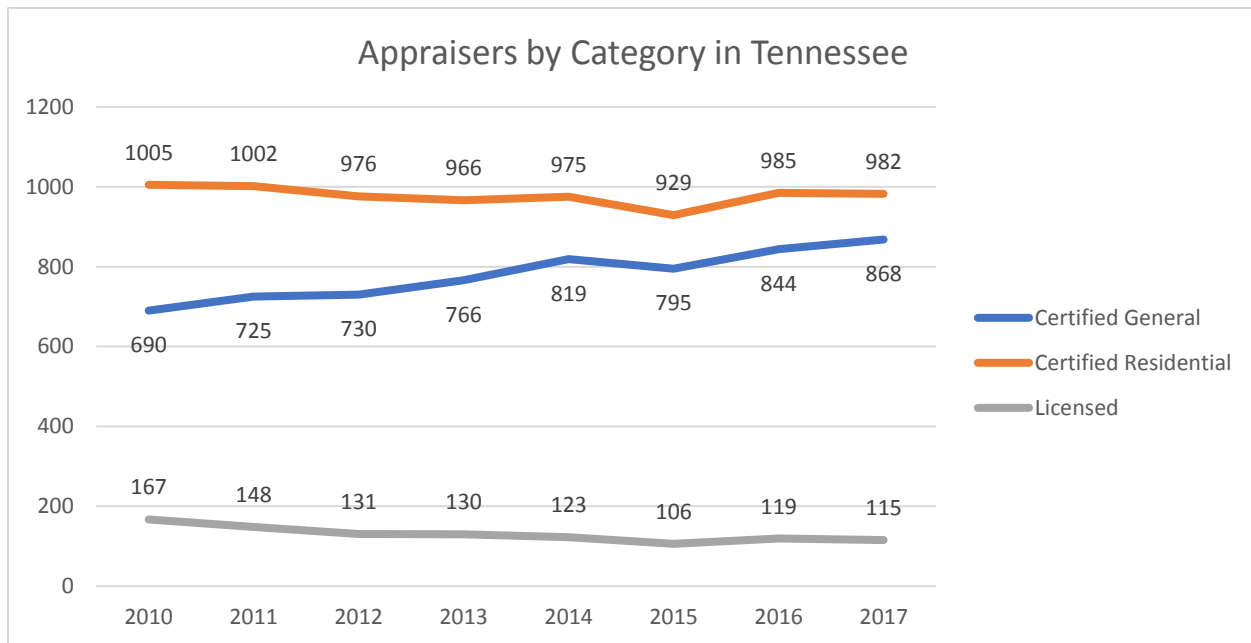
Tennessee Appraiser Population

It is difficult to evaluate TriStar's request in total because the ASC has not posted the bank's follow up letter, as it has all other correspondence. However, the ASC rightfully pointed out a multitude of problems with the initial request in its letter dated November 30, 2017, including failing to address requirements for temporary waiver requests, failing to provide key documentation, and failing to show a link between requirements from which relief is sought and problems faced by the bank.

Still, we believe the ASC should reject the request given that no there is no scarcity of appraisers in Tennessee or the market area of TriStar Bank. In fact, the problems identified by TriStar Bank involve commercial appraisal engagements, and this area has seen healthy increases in the appraiser population this decade. More specifically, the number of General Certified Real Property Appraisers has **increased 26 percent** since 2010, representing the strongest area of appraiser credentialing activity within the state, as shown below:

Licensing State	TN				
Year	Certified General	Certified Residential	Licensed	Grand Total	
2010	690	1005	167	1862	
2011	725	1002	148	1875	
2012	730	976	131	1837	
2013	766	966	130	1862	
2014	819	975	123	1917	
2015	795	929	106	1830	
2016	844	985	119	1948	
2017	868	982	115	1965	

Source: Appraisal Institute from ASC National Registry Data



The same is true for TriStar Bank’s coverage area, which was identified as including the counties of Dickson, Davidson, Maury, and Williamson, each of which is illustrated below:

Licensing State	TN
County	Dickson

Count of Year Row Labels	Column Labels Certified General	Certified Residential	Grand Total
2010	4	8	12
2011	4	8	12
2013	4	8	12
2014	4	9	13
2015	3	9	12
2016	5	8	13
2017	5	8	13

Licensing State	TN
County	Davidson

Count of Year Row Labels	Column Labels Certified General	Certified Residential	Licensed
2010	67	94	11
2011	67	89	9
2013	66	90	4
2014	69	91	5
2015	72	88	6
2016	71	95	7
2017	73	91	9

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Licensing State	TN
County	Maury

Count of Year Row Labels	Column Labels Certified General	Certified Residential	Licensed
2010	8	11	2
2011	8	12	2
2013	8	11	1
2014	8	12	1
2015	8	11	1
2016	8	13	1
2017	8	13	1

Licensing State	TN
County	Williamson

Count of Year Row Labels	Column Labels Certified General	Certified Residential	Licensed
2010	43	47	7
2011	44	49	7
2013	47	52	7
2014	53	51	7
2015	51	52	6
2016	52	55	5
2017	45	57	4

TriStar Bank Loan Production

To be fair, TriStar Bank has seen commercial-related loan production increases in recent years, as illustrated below¹.

TriStar Bank "Commercial" Loan Volume - 2010-2017

	<u>2010</u>	<u>2017</u>	
Secured by multifamily (5 or more) residential properties	2,107	2,103	0%
Loans secured by owner-occupied nonfarm nonresidential properties	6,081	25,195	314%
Loans secured by other nonfarm nonresidential properties	15,142	29,075	92%
Commercial and industrial loans	7,567	19,131	153%

However, high percentages of these loans are exempt from appraisal requirements under existing regulations. Data from the most recent Call Report indicates:

Loans secured by nonfarm nonresidential properties

With original amounts of \$100,000 or less	34
With original amounts of more than \$100,000 through \$250,000	48
With original amounts of more than \$250,000 through \$1,000,000	43

Percentage of Loans Requiring Appraisals **34%**

¹ Data compiled from Call Report, December 31, 2017. Available at <https://cdr.ffiec.gov/public/>

Commercial and industrial loans

With original amounts of \$100,000 or less	109
With original amounts of more than \$100,000 through \$250,000	21
With original amounts of more than \$250,000 through \$1,000,000	23
Percentage of Loans Requiring Appraisals	0%

Many of these loans would be classified as business loans and fall below the current \$1 million business real estate appraisal threshold level. The Call Report does not report the number of loans greater than \$1 million or more, however, our experience is that a clear majority of banks make loans less than \$1 million. Therefore, it is fair to say that a high percentage of TriStar Bank commercial related loans do not require appraisals anyway.

As illustrated above, TriStar Bank's claim that there is a scarcity of commercial appraisers in Tennessee and/or their coverage area is simply not supported by the facts. The supply of commercial (General Certified) appraisers has seen steady increases this decade, and while TriStar Bank commercial loan volumes have increased, most of this loan activity does not require an appraisal under existing regulations. As such, the ASC should reject the request having not satisfied the requirements for a Temporary Waiver Request.

Thank you in advance for your consideration.

Sincerely,

Appraisal Institute
Appraisers Coalition of Washington
California Coalition of Appraisal Professionals
Coalition of Appraisers in Nevada
Collateral Risk Network
Maryland Association of Appraisers
Michigan Coalition of Appraisal Professionals
New York Coalition of Appraiser Professionals
North Carolina Real Estate Appraiser Association
Northern Colorado Association of Real Estate Appraisers
Ohio Coalition of Appraisal Professionals
Oklahoma Professional Appraisers' Coalition
Real Estate Appraisers Association
Real Estate Appraisers of Southern Arizona
Rhode Island Real Estate Appraiser Association
South Carolina Professional Appraisers Coalition
Tennessee Appraiser Coalition
United Appraisers of Utah
Utah Association of Appraisers
Virginia Coalition of Appraisal Professionals
West Virginia Council of Appraisal Professionals