



January 30, 2019

Mr. Robert E. Feldman, Executive Secretary
Attention: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: **Real Estate Appraisals** RIN 3064-AE87 – Proposed Rule Change

Dear Mr. Feldman:

On behalf of the North Carolina Professional Appraisers Coalition, I strongly encourage reconsideration of the proposed rule to increase the threshold on residential real estate related transactions from \$250,000 to \$400,000. This must be kept at \$250,000 or less, to protect consumers and to prevent future “bailouts”.

If the most recent financial institutional crisis is to teach us anything, it is that the lessening of regulatory requirements, specifically risk and collateral assessments, cannot be more counterproductive to being “consistent with safe and sound business practices”. Reducing this threshold by circumventing the appraisal requirements, or substituting it with an acknowledged less comprehensive and less reliable “evaluation” will only increase risk for not only the parties involved, but for entire financial system.

The proposed rule change states, “the agencies also recognize and support the role that appraisers play in helping to ensure a safe and sound real estate lending process. The agencies acknowledge as well that appraisals can provide protection to consumers by facilitating the informed use of credit and helping to ensure that the estimated value of the property supports the mortgage amount. However, the agencies also are aware that the cost and time of obtaining an appraisal can, in some cases, result in delays and higher expenses for both regulated institutions and consumers”.

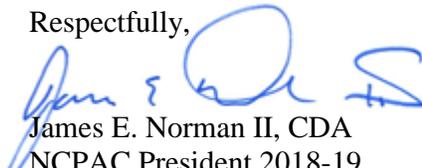
Appraisals completed by competent licensed or certified real estate appraisers, in conformance with the *Uniform Standard of Appraisal Practice* is of paramount importance in the protection of the consumer, and the lender, whether preferred or not. The lessening of any requirement negating the thoroughness of the appraisal process, or circumventing it entirely, would have significant affects.

While the implementation of these proposed rule changes may reduce “delay and expenses”, we should ask “at what cost?”. This proposal would be a step toward the loan practices that lead us to financial crisis in the past. The old adage “hindsight is 20-20” is true, but only of benefit if time is taken to look back.

Again, on behalf of the North Carolina Professional Appraisers Coalition and its members, I strongly urge you to reconsider this proposal, and keep in place the existing protections that occur (during the lending process) that an appraisal completed by a competent licensed or certified appraiser, can provide.

We kindly thank you for the opportunity to comment.

Respectfully,



James E. Norman II, CDA
NCPAC President 2018-19

North Carolina Professional Appraisers Coalition 2664 Timber Dr, #337, Garner, NC 277529