

Jordan, Sheron Y

From: Holly Hursey [holly@ssandhcpa.com]
Sent: Friday, December 19, 2008 11:07 AM
To: _Regulatory Comments
Cc: Joe Sanders; Chris Wallace
Subject: (Holly Hursey) Comments on Proposed Interagency Appraisal and Evaluation Guidelines

Dear Sir/Madam,

I have read through the proposed interagency guidelines and I am concerned that the age of the appraisal report is not addressed clearly. Specifically, what are the guidelines for the length of time an appraisal report can be relied on to make credit decisions? I perform compliance auditing for a number of credit unions and I have seen cases where credit unions are relying on an appraisal report that is several months old for both purchase and re-financing of mortgage loans.

I was hoping that new guidance would include some specific timeframes on how long an appraisal is reflective of current economic conditions. Would that be 3 months, 6 months, or some other point in time? In absence of a set timeframe, I believe credit union loan personnel will continue to comply with other provisions of the document but will manipulate property and loan values by using outdated appraisal reports.

Thanks and please let me know what your response is to my comments.

Holly

Holly Hursey, CPA
Senior Auditor
Sanders, Holloway & Ryan
Certified Public Accountants
Mahan Oaks Office Center
2878 Mahan Drive
Tallahassee, FL 32308
(850) 222-1608 Ext 312
(850) 222-2982 (fax)