

From: United Community Bank, Gloria T. McColgan
Subject: Appraisal and Evaluation Guidelines

Comments:

Please consider the comments below regarding the proposed Interagency Appraisal and Evaluation Guidelines superseding the 1994 Interagency Appraisal and Evaluation Guidelines.

Issue:

Appraisal Development .."If applicable, the appraisal should include three approaches (cost, income and sales comparison) to analyze the value of a property..." This proposed revision would require application of three approaches for most commercial property appraisals, even if not necessary for credible valuation results.

The proposed revision has the potential to increase appraisal fees and appraisal delivery times for the Banking Industry due to additional unnecessary research required to comply with the guideline. It also partially negates the USPAP 2006 Scope of Work Rule.

Under the USPAP The Scope of Work Rule an appraiser must: 1. Identify the problem to be solved; 2. Determine and perform the scope of work necessary to develop credible assignment results; and 3. disclose the scope of work in the report.

The Scope of Work Rule allows the appraiser flexibility in determining what is necessary to develop credible assignment results under the intended use. While various approaches may be applicable, they may not be necessary to produce credible assignment results.

Recommendation: Revise to: ."The appraisal should include all necessary approaches for the intended use".

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