



January 20, 2009

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Office of the Comptroller of the Currency
250 E Street, SW
Mail Stop 1-5
Washington, DC 20219

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552

Jennifer J. Johnson
Secretary
Board of Governors of the Federal
Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Mary F. Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Dear Sir or Madam:

The Conference of State Bank Supervisors (CSBS) appreciates the opportunity to comment upon the Proposed Interagency Appraisal and Evaluation Guidelines. In general, CSBS is supportive of the proposed guidelines. We believe the guidelines offer clear and concise information for financial institutions of all sizes.

CSBS suggests the federal financial agencies (Agencies) list the amount of the appraisal threshold in the guidance itself. We support the \$250,000 threshold, but believe institutions would benefit from the threshold being listed in the guidance, as opposed to a reference to the appendix.

Another area in need of clarification is the paragraph on condominiums in the "Tract Developments with Unsold Units" section. Currently, the proposed guidance allows an institution to rely on appraisals of individual units in a condominium building with less than five units if the institution can demonstrate all units can be constructed and sold within 12 months. If any of the units are not completed and sold within the 12-month timeframe, however, the proposed guidelines state the transaction should be supported by an appraisal that analyzes and reports appropriate deductions and discounts. CSBS urges the Agencies to clarify why buildings sold within the 12-month timeframe would be allowed a waiver of appropriate deductions and discounts.

CONFERENCE OF STATE BANK SUPERVISORS

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Lastly, in Appendix A, CSBS urges the Agencies to clarify the “Abundance of Caution” and the “Liens for Purposes Other Than the Real Estate’s Value” exemptions by strengthening the language to make it clear that no reliance should be placed upon the market value of real estate when making the credit decision.

Thank you again for the opportunity to comment. CSBS applauds the Agencies for drafting guidelines that offer useful information and explain real estate appraisal regulations while guiding institutions towards creation of a safe and sound valuation program.

Best regards,

A handwritten signature in black ink that reads "Neil Milner". The signature is written in a cursive, slightly slanted style.

Neil Milner
President & CEO