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Comments:

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Proposal: Proposed Interagency Appraisal and Evaluation Guidelines  
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Comments:

With regard to the Proposed Interagency Appraisal and Evaluation guidelines we have concerns with the proposed definition of "value"(pg66) - specifically in transactions that are not arms-length, such as an inter-family transfer, and the actual acquisition cost (sale price) is below market value. This is a fairly common occurrence in agriculture lending transactions, especially in estate planning. Also included in this issue would be sales of property to long term tenant operators and certain contracts for deed. Since USPAP requires the appraiser to analyze the sale and if it is determined that the sale is not an arms-length transaction, we feel the lender should have some flexibility or ability to use judgment in determining to use either the "market value" or the purchase price which ever is most representative of the transaction.