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

Re: Proposed Interagency Appraisal and Evaluation Guidelines, Docket ID OCC-2008-0021

Sirs:

Strategic Valuation Partners (SVP) is a commercial real estate appraisal management company that provides quality valuation services to major banks and financial institutions.

In the last few years SVP has witnessed severely egregious acts of inappropriate commercial valuation management. Too often the appraisal functions are poorly managed, open to influence and secured with ineffectively valued collateral. Banks faced with examiners who lack knowledge and consistency are defiant and unyielding to regulation. This obvious lack of regulation and oversight has led to present day economic collapse.

Regulatory agencies should interpret FIRREA at its most stringent level. The current lack of oversight is a result of uneven interpretation of a “guidance” document that originates from 1994. Section 1110, Title XI of FIRREA states that regulatory agencies shall “prescribe appropriate standards for the performance of real estate appraisals...These rules...” The use of “guidelines” as opposed to standards and rules is ambiguous and open to interpretation. Absolute regulatory compliance is virtually impossible and allows financial institutions to operate independently and outside of the parameters required for public trust.

SVP recommends the adoption of a set of written rules and standards that financial institutions must adhere to in the operation of their appraisal functions. These rules may incorporate other standards including but not limited to USPAP and additional

supplemental standards. Enforcement of the rules and standards must be measured, meaningful and stringent. Examiners must be sufficiently trained and qualified to understand appraiser qualification, appraisal methodology and the overall function of an institutions appraisal departments or outsourced third party service providers. Severe economic penalties for regulatory abuse must be in place that could provide funds for upgrading the education and level of knowledge of examiners.

There must be an ongoing review of an institutions real estate loan portfolio risk by examiners to include spot compliance audits. Institutions must be held immediately accountable for potential risk and non compliance. Examiners should work with outside independent valuation professionals able to provide knowledgeable and accurate assessments of portfolio values and unacceptable contractions of risk.

SVP appreciates the opportunity to comment on the Proposed Interagency Appraisal and Evaluation Guidelines.

Yours truly,

Yours truly,



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