THE APPRAISAL FOUNDATION
Authorized by Congress as the Source of Appraisal Standards and Appraiser Qualifications

January 15, 2009

Office of Thrift Supervision (OTS)
1700 G Street, NW
Washington, DC 20552

Via electronic mail: regs.comments@ots.treas.gov

Re: Comments on the Proposed Interagency Appraisal and Evaluation Guidelines
Agency Name: OTS
Docket ID: OTS-2008-0012

To Whom It May Concern:

As the body charged with the promulgation of the *Uniform Standards of Professional Appraisal Practice* (USPAP), the Appraisal Standards Board (ASB) of The Appraisal Foundation issues exposure drafts of proposed changes as the need arises. As a result, we understand the importance of public exposure of proposed changes, and we appreciate the opportunity to provide comment on the proposed revisions to the Interagency Appraisal and Evaluation Guidelines (Guidelines).

All members of the Appraisal Standards Board have been provided a copy of the proposed Guidelines. The material was thoroughly studied and the Board has approved this comment letter.

We were pleased that the proposed Guidelines follow the basic tenets of USPAP and have incorporated conceptual changes to USPAP. We have refrained from providing any policy-related opinions limiting our comments to clarifications of the Uniform Standards of Professional Appraisal Practice (USPAP) noted in the proposed Guidelines. Our concerns are as follows:

- On page 12, 3rd line from the bottom, the appraisal reporting format titled "restricted" should state "restricted use."

- On page 24, 8th line from the top, the word "three" could be deleted to maintain the proposed Guidelines' stance on possible reporting requirement changes forthcoming in USPAP.

- On page 30 in the 1st line, the phase "and when appropriate data is available" could be inserted after "If applicable."

- On page 30 in the 6th line, the words "real property appraisal" should be inserted after the word "significant" and before the word "assistance."

- On page 57 in Appendix C, *Glossary of Terms*, "Appraisal" is defined as follows:

  As defined in the Agencies' appraisal regulations, a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion as to the market value of an adequately described property as of a specific date(s), supported by the presentation and analysis of relevant market information.

  The ASB wishes to point out that this definition varies significantly from the definition of "appraisal" as found in USPAP, and believes that a common definition could help to avoid confusion. "Appraisal" is defined in USPAP as follows:

  (noun) the act or process of developing an opinion of value; an opinion of value. (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services.

  Comment: An appraisal must be numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g., not more than, not less than) to a previous value opinion or numerical benchmark (e.g., assessed value, collateral value).

- On page 60 in Appendix C, Glossary of Terms, the definition of "Exposure Time" includes a reference to "Statement 10." However, effective with the 2008-09 edition, STATEMENT ON APPRAISAL STANDARDS NO. 10 (SMT-10) was retired from USPAP.

If any of the above comments require further clarification or explanation, please feel free to contact Carrie Composto, Standards Administrator with The Appraisal Foundation, by calling (202) 624-3058, or via e-mail at carrie@appraisalfoundation.org.

Respectfully submitted,

Sandra Guilfoil
Chair
Appraisal Standards Board