



January 16, 2009

[Regs.comments@ots.treas.gov](mailto:Regs.comments@ots.treas.gov)

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

Re: Docket No. RIN 3133-AD38, Proposed Interagency Appraisal and Evaluation Guidelines, OTS-2008-0012

Dear Office of Thrift Supervision:

ING Bank, fsb ("ING DIRECT") appreciates the opportunity to comment in response to the Proposed Interagency Appraisal and Evaluation Guidelines (the "Proposal"). By way of background, ING DIRECT has in excess of \$82 billion in assets and \$71 billion in deposits and provides retail banking services and financial products to individuals and businesses across the United States.

ING DIRECT supports the efforts of the agencies to improve upon the appraisal and evaluation process. We do, however, have some concern about the part of the Proposal that states: "[w]ith prior approval from its primary regulator, an institution may employ various techniques, such as automated tools, sampling methods, for performing prefunding reviews of appraisals or evaluations supporting lower risk single family residential mortgages"(emphasis added). We believe that this statement needs to be clarified as to its intent and how that intent will be carried out. We believe that requiring prior approval will prevent thrifts from deploying and using state-of-the-art techniques in a timely manner. It is also unclear under what circumstances approval would be required. If an automated tool is substantially updated, for example, would prior approval need to be obtained prior to its use? What about if only a minor update is made to that automated tool? If the difference between a minor update and a substantial update is germane, who decides whether the difference is truly minor or substantial – and how is that decision to be made?

We understand the agency requirement for all lenders to use effective tools to ensure responsible loan underwriting. However, each lender should be allowed to adopt the techniques and tools most effective for the type and volume of loans it underwrites. Interposing a prior-review requirement on an already burdened regulator could dramatically impede the current processes and would disincent lenders to adopt new and more effective processes, thereby increasing risk. We therefore urge the agencies to delete the requirement for prior approval and instead clarify that an institution's use of new and/or improved techniques will be subject to agency review.

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Respectfully submitted,

A handwritten signature in blue ink, appearing to read "D Stewart", with a large, stylized flourish at the end.

Deneen Stewart  
General Counsel  
ING DIRECT