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April 23, 2020

TO: Office of the Comptroller of the Currency, Treasury
Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation

Delivered Electronically via Federal eRulemaking Portal <https://www.regulations.gov/>

RE: Real Estate Appraisals; Docket ID OCC-2020-0014

The National Association of Appraisers (NAA) is a nonprofit, 506c (6) association representing professional appraisers across the country. While we applaud the agencies' efforts to provide relief to households and businesses in light of the current National Emergency declared due to the COVID-19 virus outbreak, we have serious practical concerns about deferring appraisals up to 120 days on transactions for which appraisals would otherwise be required prior to the closing of a loan.

NAA asks the agencies to clarify what the effective date of a "deferred" appraisal would be. Would it be retrospective to the date of closing or contemporaneous to the date on which the appraiser inspects the property months after the closing? If it is the latter, particularly in light of economic impacts of the COVID-19 outbreak, market conditions could change dramatically in the 120 days subsequent to the closing of a loan and lenders may therefore find that their equity position is not what they anticipated.

Additionally, we understand that prudent lenders will only extend an appraisal deferral to creditworthy borrowers with collateral therefore being of secondary concern, however, we also request clarification about what the remedy would be if, once an appraisal is performed, it is discovered that the collateral does not meet a lender's minimum property requirements.

NAA appreciates the opportunity to provide our comments and concerns to the agencies. Please feel free to contact us if we may provide any additional information.

Sincerely,

Craig Morley
President, National Association of Appraisers