

January 30, 2017

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
Attention: 1557-0313
400 7th Street, S.W., Suite 3E-218
Mail Stop 9W-11
Washington DC 20219

OMB Number: 1557-0313

Subject: Appraisals for Higher-Priced Mortgage loans

This letter is in response to the Office of the Comptroller of the Currency's (OCC) request for comment on the proposed renewal of information collection set forth in, "Appraisals for Higher-Priced Mortgage Loans". Written comments must be received by February 23, 2017. I appreciate the OCC's request for public comment, although it has become clear that the agency is not interested in public comments.

The Office of Management and Budget (OMB), and the **Office of Information and Regulatory Affairs (OIRA)** should ensure the OCC addresses all legitimate and reasonable public comments in its final rulemaking before OMB assigns or renews an OMB Control Number.

The OCC invites comments on the ways to enhance quality and minimize burden of the information collection.

CLARITY IS NEEDED

Section 1471 of the Dodd-Frank Act establishes special appraisal requirements for higher-risk mortgages. The Dodd-Frank Act allows the federal agencies to jointly exempt, by rule, a class of loans from the requirements of section 1471 of the law. The implementing regulation (12 CFR §34.203) purports to *promote safety and soundness of creditors* making higher-priced mortgage loans.

The OCC should clarify the connection between the requirements of 12 CFR §34.43(a) and 12 CFR 34.203(c). Specifically, the OCC should specifically address in the regulation whether written appraisals performed by certified or licensed appraisers are required on loans less than \$250,000 when the interest rate on that loan exceeds the average prime offer rate by 1.5 points or more. Section §34.43(a) does not require appraisals on real estate transactions less than \$250,000 while §34.203(c) *seems to suggest* that appraisals are required if interest rate on the mortgage exceeds the average prime offer rate by 1.5 points or more.

Additionally, the OCC should improve the quality of its rulemaking by thoughtful consideration of existing regulations. The OCC should not "pile on" new, overlapping and duplicative regulations. It is unnecessary and burdensome for there to be multiple federal regulations on a single, narrow topic. For example, parts of §34.203(e) and (f) are unnecessary and duplicative of the mandates in 12 CFR §1002.14. Issuing multiple regulations that cover a single topic – *like providing copies of residential appraisals to consumers* – creates confusion in the industry and unnecessarily increases compliance cost. An example of confusion is in §34.203(e)(1), which states:

“Compliance with disclosure requirements in Regulation B, 12 CFR §1002.14(a)(2) satisfies the disclosure requirements of this paragraph.” [emphasis added]

However, §1002.14(a)(2) does not require the disclosure text described in §34.203(e)(1), which reads in part:

“We may order an appraisal to determine the property’s value and charge you for the appraisal. We will give you a copy of any appraisal, even if your loan does not close.”

Therefore, it is confusing and unclear whether the disclosure text specified in §34.203(e)(1) is actually required if mere compliance with §1002.14(a)(2) satisfies the requirements of *that* paragraph. The OCC should eliminate this confusion.

Finally, the OCC should clarify why a *single* act of omission by a bank should violate multiple regulations. The OCC should describe why it is important for there to be two violations of regulation – 12 CFR §1002.14 and 12 CFR §34.2003 – when a creditor that fails to provide a copy of the appraisal to the consumer three business days prior to consummation of the transaction.

I appreciate the opportunity to comment on the OCC’s proposal. I wish the agency the best of luck.

Sincerely,

Sandra A. Holly
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