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Sent: Tuesday, June 30, 2009 11:21 AM
To: Vincent, Joseph (DFI)
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Subject: required appraisal

Appraisals

In accordance with 12 CFR §560.172, savings associations must appraise each parcel of REO at

acquisition, consistent with the requirements of Part 564. A savings association must appraise each

parcel of real estate owned at the earlier of an in-substance foreclosure or at the time of the savings

association's acquisition of the property. Thereafter, prudent management policy dictates the timing of

appraisals. The regional director (or designee) may require subsequent appraisals if they deem necessary

under the circumstances. Savings associations must carry REO on the books at the lower of recorded

cost or fair value less costs to sell. Therefore, OTS does not require an appraisal upon disposition of

the property; however, the savings association's policies may require one.