



November 20, 2017

FFIEC ASC  
James R. Park, ASC Executive Director  
1401 H. Street N.W. Suite 760  
Washington, DC 20005  
(202) 595-7575

Mr. Park,

Please consider this letter as TriStar Bank's official request to receive a one-year waiver of the appraisal regulation's requirements to utilize a certified appraiser for loan requests from January 1 to December 31 for the entire year of 2018. This request is based on Section 1119(b) of Title XI of the FIRREA of 1989. This request is specific for appraisals completed within the Nashville MSA during this period of time. We serve loan clients mostly in Dickson, Maury, Williamson and Davidson counties, but the availability of appraisers is an issue in the entire market. There is only one general certified appraiser in the county of Dickson, our headquarters. The demand is so great in the Nashville MSA area that we are having a difficult time receiving appraisals in a reasonable amount of time. The time delay and added cost is negatively impacting our clients.

We reviewed our appraisal logs in 2013 and in 2017 to determine the trend of pricing and timeliness of appraisals/evaluations during each year. Since 2013, the logs reflect an average increase of 82% in wait time to receive commercial appraisals/evaluations. During that time, the average cost to our clients for commercial appraisals/evaluations has increased 23%. The cost of time and money is putting pressure on our clients' ability to find value in our work. We believe that the new requirements to become a certified general appraiser are not producing enough qualified appraisers in the market. A current appraiser has little motivation to train someone that he or she will have to compete against in the future or the time to commit to train an apprentice during this time of tremendous growth.

We have a senior banking officer who has taken all the necessary schooling but has not had the opportunity to work with an appraiser to get the large number of appraisal samples completed. We believe we can continue to maintain a strong credit quality and arrive at a better independent fair value on properties by utilizing one of three options:

1. Obtain an estimated value from a realtor, selected from a small group of trusted realtors who are not involved in the property or transaction, and have our senior officer validate the value; or,
2. Obtain an evaluation from the Clarity Appraisal Management and then have our senior officer validate the value; or,
3. Our senior officer will research comparable sales from the local MLS data to determine the appropriate value.

We reserve the right to take the delayed process and have our client pay the high cost of a certified appraisal on unique or unusual properties. We would like to discuss how your approval of this waiver will be communicated to both of our regulatory agencies, the Tennessee Department of Financial Institutions and the Federal Deposit Insurance Corporation, and what coverage for Part 323 violations that the waiver will provide during the waiver term. Thank you for your consideration, we look forward to discussing this request with you soon.

Sincerely,



Ted H. Williams  
President and CEO

cc. Arthur Lindo, Senior Associate Director  
Board of Governors of the Federal Reserve System

Greg Gonzales, Commissioner  
Tennessee Department of Financial Institutions