



November 18, 2022

Office of the Comptroller of the Currency
Attn: Customer Assistance Group
P.O. Box 53570
Houston, TX 77052

DELIVERY VIA FACSIMILE ON NOVEMBER 18, 2022; TO (713)336-4302

Re: Office of the Comptroller of the Currency (OCC) Case #03374574

Dear Sir or Madam,

Please find accompanying this cover sheet the original complaint filing referenced above, as well as the Bank's response to the complaint. Please let me know if you have any questions.

Sincerely,

James M. Minear
Senior Vice President
Chief Lending Officer



Office of the Comptroller of the Currency

October 28, 2022

FIRST NATIONAL BANK
ATTN: OFFICE OF THE PRESIDENT
P.O. BOX 29
ALTAVISTA VA 24517-0000

Re: Ms. Rebecca Planiczka
Lynchburg VA
Case # 03374574

The consumer referenced above has submitted a complaint to the Customer Assistance Group (CAG) of the Office of the Comptroller of the Currency (OCC) that involves your bank. Please make note of the case number listed above. You should reference this case number when inquiring about the case by phone or include this number on any correspondence you may provide to this office. For your evaluation of this matter, we are enclosing a copy of the complaint file.

Please evaluate this information and provide a response to your customer with a copy to this office within 10 days. Please consider the following when responding:

- Address each concern raised by the consumer and respond to how the bank complied with the regulatory issue(s)
- Fully explain the bank's position identifying dates, amounts, account information, and name of individual related to the case
- Include any attachments, enclosures or supporting documents, which support your position on this matter
- You have the option of responding directly to CAG, or to the consumer with a copy to CAG. Please be advised that the bank response and any other information you provided to CAG, even if it is addressed only to CAG, may be provided to the consumer in response to a Privacy Act Request. Any correspondence CAG receives from you that is addressed to the consumer is assumed to have been mailed by the bank to the consumer.

Customer Assistance Group, P. O. Box 53570, Houston, Texas 77052
Phone: (800) 612-6743, FAX: (713) 336-4302
Internet Address: www.HelpWithMyBank.gov

➤ The bank response must be on bank letterhead.

We encourage you to submit your responses through CAGNet, which is an application on BankNet. If you need assistance with establishing a CAGNet account, please send an email to CAGNetHouston@oce.treas.gov.

You may also respond by fax. The fax number for this office is referenced below. If the documents are too bulky to fax, you may mail the documents to the address referenced below.

If you have received this case in error, please destroy any and all documents associated with this case and send a response to CAG advising the case was sent to the wrong bank. In addition, please send a separate email to CAGNetHouston@oce.treas.gov confirming the destruction of any and all documents associated with this case. Please reference the case number in your correspondence.

If you have questions, please contact this office at the telephone number listed below and reference the case number shown above.

Sincerely,

Customer Assistance Group



Date Submitted: 2022-10-04

Name: Rebecca Planczka

Address: 413 College Park Dr Lynchburg, VA 24502

Country: United States

Phone: 4346608940

Alternate Phone:

Email Address: planczka@comcast.net

Contact Preference: Email

FRCH Obtained Third Party Consent: N

Third Party Name:

Third Party Address: ,

Third Party Country: United States

Third Party Phone:

Third Party Alternate Phone:

Third Party Email:

Institution Name: First National Bank of Altavista

Institution Routing Number:

Account/Product Type:

Institution Address: Forest, VA 24531

Institution Country: United States

Institution E-Mail Address:

Institution Phone Number:

Institution Additional Contact Information:

Complaint Description:

Visited the bank to inquire about a HELOC. Signed application with a brief outline of fees. I was unable to specify the amount of a HELOC that I wanted because it was based on the appraised value of my home. Appraiser that showed up was not licensed on the local multiple listing services and could only use tax records. Appraisal came in far under expected value with ridiculous comparables. I contacted the bank manager to explain how wrong this appraisal was and asked for further explanation. Since I am a licensed Realtor, Branch Manager asked for comprehensive sales on my street and I emailed them to her. I asked her to explain this specific appraisal to me, and she told me that I would have to speak to someone else. She gave me the option to have another appraisal and pay \$500 extra for it. I would NOT have input on the appraiser, his qualifications, and if he was a member of the multiple listing service.

I was later contacted by the Sr Vice President where I explained the issues with the current appraisal. He asked for the comps that I provided the branch manager and he said that he would revisit the appraisal with the team. I heard from the branch manager 2 weeks later, and she explained that they had raised the value of my appraisal by \$20,000 plus. The appraiser had changed the appraisal and added the comps that I supplied.

After all the time that had passed and their lack of clarity, I had reservations about moving forward with the HELOC. I questioned my full financial responsibility on the appraisal, as I had done a lot of the work. I knew my work was accurate and acceptable, as the appraisal value improved over \$20,000. While we were waiting for all of this, First National moved forward with all of the prior fees (title work, flood cert, etc) without my knowledge. Thus, I am now responsible for over \$900 and I wasn't satisfied with the appraisal and had no knowledge that they moved further to the process.

Preferred Complaint Resolution:

I would like not to have to do further business with this bank. I would like to not have to close on this HELOC and not be responsible for all of the \$950. I want someone give permission for the process to move forward beyond the appraisal. I also don't think its fair that I should have to pay the full price for a ridiculous appraisal that I did most of the work for.



November 17, 2022

**Rebecca M. Planiczka
413 College Park Drive
Lynchburg, VA 24502**

Re: Office of the Comptroller of the Currency (OCC) Case #03374574

Dear Ms. Planiczka,

I have reviewed your complaint to the Customer Assistance Group of the OCC regarding your application for a Home Equity Line of Credit (HELOC) with First National Bank (FNB), the home appraisal process and your responsibility for fees incurred associated with the HELOC.

You initially spoke to Tara Morgan, Branch Manager of FNB's Graves Mill Office regarding a HELOC secured by your personal residence on July 20, 2022. When you decided to proceed with application, you informed Ms. Morgan that your friend completed an appraisal on your home two weeks prior. You asked Ms. Morgan if FNB could use that appraisal. Ms. Morgan informed you that she would contact FNB's Loan Operations Department and get back with you. After speaking to Loan Operations, Ms. Morgan informed you that FNB would have to order a new appraisal. Ms. Morgan also informed you that you would be responsible for the cost of services utilized by FNB to originate your HELOC should you decide not to close. Your application for the HELOC was approved and you communicated to Ms. Morgan that you wanted to proceed with the HELOC.

Ms. Morgan contacted you on August 18, 2022 and informed you that the appraisal had been completed and indicated a value of \$344,900. You felt that the value was too low and wanted to know what you could do to dispute it. You emailed Ms. Morgan on August 21, 2022 and asked if there was someone you could speak to about the appraisal. You felt that you may not be reading the information correctly. Ms. Morgan requested that you list your concerns so they could be forwarded to Loan Operations. Ms. Morgan emailed you on August 23, 2022 to inform you someone from Loan Operations would contact you.

During the week of August 22nd, I was informed that you had questions regarding an appraisal that was ordered by FNB and was asked by Ms. Morgan to discuss them with you. After returning from a trip out of town, I spoke with you on August 31, 2022, beginning at 3:30pm,

Ms. Planiczka
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for approximately 25 minutes. You first indicated that a friend appraised your home at a value much higher than the appraisal ordered by FNB. I replied with the following comments:

- Appraisals utilized for lending purposes are subject to laws and regulations requiring complete objectivity, and are thus one of the most sensitive areas of loan origination. FNB orders appraisals, on a rotating basis, from our "Approved Appraiser" list through designated staff (Appraisal Liaison), independent of the loan originator and the borrower.
- Your friend (who I understand recently received his or her appraiser certification) was not on FNB's "Approved Appraiser" list, so FNB could not use that appraisal.
- The appraiser you wanted to use was admittedly your friend, which would make using that individual for a valuation to support a loan amount a conflict of interest.
- Under the Sales Approach, appraisers select comparable sales they deem most appropriate for the house being appraised to support its valuation.
- Under the Cost Approach, appraisers support their valuation by utilizing the Marshall-Swift Residential Cost Handbook to determine valuation.
- Adjustments are made with some level of subjectivity in regard to quality of finishes, age, exterior condition, location, etc., which may lead to different appraisal valuations.

You understood the points conveyed in our discussion. I asked you to send FNB the comparable sales you felt were more appropriate, and we would forward them to our Appraisal Liaison; who, in turn, would discuss them with the appraiser. In order to remain in compliance with applicable laws and regulations, I informed you that FNB would not attempt to influence the appraiser. I let you know that the appraiser could come back and indicate the comparable sales utilized were the most appropriate. As it turned out, the appraiser did take into consideration one of your comparable sales and increased the value of the original appraisal by \$15,400. You were only charged for the original report.

Ms. Morgan followed up with you on September 30, 2022 to see if you would like to withdraw or proceed with your HELOC application. She reminded you of your responsibility for fees incurred by FNB associated with your HELOC's origination should you withdraw.

You emailed Ms. Morgan on October 3, 2022 stating that you were ready to move forward with closing on the HELOC. You emailed Ms. Morgan on October 15, 2022 and asked if your only options were to proceed with the HELOC or to withdraw and pay for the fees incurred by FNB. She confirmed your options and indicated fees for the appraisal, appraisal review, flood determination and title work totaled \$940. You emailed Ms. Morgan on October 6, 2022 stating that you would like to proceed and scheduled your HELOC closing for 4:30 pm on October 27, 2022. When you and your spouse arrived for the closing, Ms. Morgan asked you again if you would like to proceed. You responded that you were not giving FNB \$940 for nothing. You stated that you would close on the HELOC, but you are not going to use it. You

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then asked your husband if the line amount was going to be enough to do anything or is it too late. He said he thought it will be fine. You finally decided to proceed with closing.

Based on the information referenced, FNB kept you informed throughout the HELOC process and shared with the appraiser information you provided regarding the valuation of your home. Since you are a realtor, you should be somewhat familiar with real estate appraisal laws and regulations that banks must adhere to, which prohibit banks from influencing the valuation.

Your options moving forward are as follows:

- 1) Close HELOC #1600104 and reimburse FNB for closing costs totaling \$940, or
- 2) Retain the HELOC and utilize it according to applicable Term & Conditions provided to you.

Sincerely,

A handwritten signature in black ink, appearing to read "James M. Minear", with a stylized flourish extending from the end.

James M. Minear
Senior Vice President
Chief Lending Officer