



**THE ATTORNEY GENERAL
OF TEXAS**

AUSTIN 11, TEXAS

**WAGGONER CARR
ATTORNEY GENERAL**

October 23, 1964

Honorable James O. Gerst
Savings and Loan Commissioner
1010 Lavaca
Austin, Texas

Opinion No. C-336

Re: Authority of agents
appointed by Savings
and Loan Associations
to appraise properties
upon which application
has been made to the
association for a
loan.

Dear Mr. Gerst:

In your opinion request you ask whether, under Section 3.1 of the Rules and Regulations for Savings and Loan Associations adopted November 15, 1963, an agent or agents of an association within the proper scope of their duties, may appraise properties upon which application has been made for a loan.

Section 3.1 of the Rules and Regulations provides that, "An association may, without approval of the Commissioner, appoint an agent or agents, whose functions shall be limited to the receipt of applications for loans, the servicing of loans and contracts, or the management or sale of real estate owned by the association. . . ."

The word "limited" is defined as meaning, "Restricted; bounded; prescribed; confined within positive bounds; restricted in duration, extent, or scope." Black's Law Dictionary, 4th Ed., 1957, p. 1077. There is no definition of the word "limited" in either the Savings and Loan Act, Article 852a, Vernon's Civil Statutes, or the Rules and Regulations for Savings and Loan Associations adopted November 15, 1963. In the absence of a statutory definition, the word "limited," as used in Section 3.1, restricts agents to the performance of only those functions which are stated in that section of the Rules and Regulations.

Agents are not given specific authority to appraise property in Section 3.1 of the Rules and Regulations; therefore, under Section 3.1 of the Rules and Regulations, an agent of an association can appraise property only

if he has the implied authority to do so. Under Section 3.1 of the Rules and Regulations, the only function an agent is authorized to perform for an association prior to the time a loan is actually made is to receive applications for loans. An agent is not authorized to process loan applications for an association under Section 3.1 of the Rules and Regulations. Since the appraisal of property upon which a loan application has been made is usually and normally a part of the processing of a loan application, and not a part of receiving loan applications, an agent has no implied authority under Section 3.1 of the Rules and Regulations to appraise property.

S U M M A R Y

The proper scope of the duties of agents under Section 3.1 of the Rules and Regulations for Savings and Loan Associations adopted November 15, 1963, does not include the appraisal of properties upon which application has been made for a loan.

Very truly yours,

WAGGONER CARR
Attorney General of Texas


JOHN W. FAINTER, JR.
Assistant Attorney General

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APPROVED:
OPINION COMMITTEE

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APPROVED FOR THE ATTORNEY GENERAL
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