

From: Joseph Russo
Subject: Regulation Z -- Truth in Lending

Comments:

I am writing concerning the interim final rule Section 129E of the Truth in Lending Act (TILA), which was enacted on July 21, 2010, as Section 1472 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

There is concern in the appraisal profession that lawmakers and governing bodies such as the FED are not considering the full impact of new rules. I have been the victim of AMC's (Appraisal Management Companies). I use the term victim because I have been driven out of full time practice as an appraiser due to the HVCC. There is no consideration of experience, competence or actual time it takes to complete a quality appraisal. The main question asked by AMC is what is your fee? How much do you charge? Will you accept \$XXX.xx? There is no consideration for anything else except the profit margin. Why has this been allowed to become the main consideration of selecting an appraiser? It is clear that the HVCC has decimated the appraisal profession. Forcing good appraisers to work part time in the field or leaving the profession entirely.

The sob story aside. The impact of this legislation is clear. The appraiser may not pursue additional lending clients as in the past due to the AMC restriction. Therefore any blacklisting or refusal to add an appraiser to the fee panel (due to the profit margin) by the AMC will effectively shut down the appraiser's business.

I believe that any AMC affiliated whole or in part with the lender Bank of America who owns the Land Safe AMC and Wells Fargo who owns the RELS AMC should not be allowed to order appraisals by an AMC owned whole or in part by the Lender.

A possible solution is to grant a round robin system similar to the VA ordering system. Where appraisers receive work for lending purposes through this system. The lender will have no choice in the selection of the appraiser and the fee for the appraisal will be determined by the appraiser. It is a fair system that is monitored by the VA. If an appraiser performs truly negligent work, then the appraiser may be sanctioned by the ordering system. Also it would prohibit lenders from appraiser shopping as the end lender would be aware of how many appraisals were ordered on a single property. Thus eliminating the shopping of appraisers and help save the borrower money because the appraisal would be allowed to be used by a different lender in confidence. Unlike today. If the borrower seeks to use a different broker/lender they are forced to purchase another appraisal. It would save the borrower money as the lender/broker would have no choice but to use that appraisal unless a reasonable time period has transpired. FHA currently has a four month window and they assign case numbers to each loan.

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