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Proposal: Regulation Z - Truth in Lending

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Comments:

Creditors and mortgage brokers would be prohibited from coercing a real estate appraiser to misstate a home's value. At the present time, the only profession requiring impartiality, objectivity, and independence, and without accommodation of personal interest is the appraisal profession. This mandate is stated in the Conduct Section of the Ethics Rule of USPAP. Additionally, Certification #18 within the current FNMA/FHLMC forms dated March 2003 are also certified and agreed upon by all appraisers utilizing these forms. The only place I can locate a reference to Appraiser Independence with the current banking regulations is OCC 2231.0.17 Appendix B-Interagency Statement of Independent Appraisal and Evaluation Functions. In the real world it is standard operating procedures for many loan agents, loan officers and/or mortgage brokers contacting numerous appraisers requesting comp searches, pencil lookups or other by other names with a minimum value required prior to placing an appraisal order with the appraiser that is their best "team player". When I quote Certification #18 or reference USPAP, the lender usually moves on to the next appraiser in the phone book seeking their minimum value by an appraiser that is a "team player". I have attempted to offer desktop appraisals as an option, however, when I state there is a fee for services rendered and there are no guarantees

the future, the conversation ends. Until all participants in the loan process are mandated to be unbiased, impartial and objective, the loan originators will continue to see appraisers that are "team players". It is a reflection of the typical loan originator's compensation package being comissioned based and/or a salary, commission and bonus.

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