

From: Kyle Sill  
Subject: Regulation Z -- Truth in Lending

---

Comments:

Docket No. R-1394 and RIN No. AD-7100-56

I am a certified residential real property appraiser in Central Kentucky. The appraisal profession has been in a decline for some time now in regard to fees, turn around time, and coercion. I entered the profession approximately 5-6 years ago. The relationships between appraisers and lenders, appraisal management companies, etc. led to inflated or deflated appraisal values at the time. Lenders who were receiving income from a loan closing were encouraging appraisers to appraise homes at specific numbers they needed. Many individuals would move on to another appraiser if they could not meet their requirements. These types of relationships were devastating to the honest appraiser trying to do his job with integrity.

The current state of the appraisal profession is not much improved from when I first became an appraiser. I do not deal with many individuals attempting to influence the value of my reports. However, there is currently an emphasis in the industry on turn around time and low fees. This has decreased the amount of work that appraisers who perform high quality appraisals receive and increased the likelihood of lower quality appraisals. This is due to unreasonable turn around times and fees. Some companies pay appraisers less than half of the fees paid when I first entered the profession.

I have heard appraisal management companies claims that they save appraisers money by performing some type of function. My reports leave the office in a state of quality that does not need to be reviewed and amended. These companies receive more compensation than the appraiser in many cases for doing much less work. Appraisers need to receive compensation that is consistent with the amount of work performed.

I believe reasonable and customary fees for appraisers are necessary in order to keep appraisers who perform high quality appraisals in the profession. The profession has lost honest, ethical, and competent appraisers due to its current state. The industry emphasis on fees and turn around time has a broad range of negative effects that impact appraisers and others on a local and national level.

We need a base fee, so that we have a place to start when developing fees for specific properties. The development of customary and reasonable fees appears to be a savior for the appraisal profession. It will keep competent appraisers in the profession who want to provide high quality appraisals. The VA fees seem to be a good place to start when considering customary and reasonable fees. It would seem best to have an independent study performed regarding fees that are customary and reasonable in addition to the VA fees.