

From: Hans G. Schaetzke II
Subject: Regulation Z -- Truth in Lending

Comments:

Dear Sirs at the Board of Governors at the Federal Reserve,

The following is a short opinion regarding unreasonable turn-time requirements as undue influence on the appraiser and interference with the appraisal process:

The definition I am using for "Turn-time" is the period of time from inspection of the subject property to the point of sending the finished product to the appraiser's client (AMC).

The current industry standard for turn-time in the AMC environment is 24 hours after inspection. I suggest that the AMC's have the concept that each appraisal should be done from start to finish and then the next can be started. Then the AMC is assured that nothing else will cause them to wait a moment longer than necessary to get their product to their client. This is not an efficient use of time for an appraiser and causes doubling of efforts and also limits the number of assignments given to an individual appraiser which strictly limits income potential and increases pressure to cut corners.

The push for fast turn-times is a threat to accurate and diligent appraisals just as much as under-paid appraisers. Unreasonable turn time requirements should be identified as undue appraiser influence because they threaten quality process.

Question #1) Why do lenders need speed?

Did the lender choose to order the appraisal after all other approvals were in-hand so that they did not risk ordering an appraisal for a loan they could not make? If so then why do appraisals for loss mitigation have the same 24 hour turn-time standard?

Question #2) Do the lenders really need speed?

Or is this just another way for a big business (AMC) to set itself apart from its competition. This type of concern has no place in a quality appraisal process and should be regarded as undue pressure on the appraiser.

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