

From: Connor Appraisals Inc.
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Comments:

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Name: Connor Appraisals Inc.
Affiliation:
Category of Affiliation:
Address:

City:
State:
Country:
Zip:
PostalCode:

Comments:

Lets face the truth of this matter instead of this chasing our tails in trying to make something appear sweet and nice and appropriate by amending laws and adding unnecessary regulations. Appraisers are under USPAP. That is their bible and their regulations are there. There is no more need for more regulation on top of USPAP which has been adopted by some states as law and has worked very well where enforcement isn't a problem. The problem here is the banks can't control themselves and their greed. They choose appraisers not by experience but by how much they can rule over them (try to control them and bend them to their needs) and influence them in valuations - as cheaply as possible. The bubble was caused by lenders seeking whatever values were needed to put even the unemployed into mortgage debt! And where did they seek and get those inflated valuations that they needed? Not from experienced and ethical appraisers that would turn them down, but from the least experienced and those most amenable to their valuation needs ! - as shown in the WAMU and Eappraiseit fraud, AG Cuomo stated that over 240,000 fraudulent appraisals were completed in an 18 month period - ALL OVER THE COUNTRY!! Just one bad valuation that becomes a market sale that ethical appraisers can then use for the next valuation, and that will skew the market. Just think what damage was done with over 240,000 fraudulent appraisals with just this 1 AMC's stable of dependent and inexperienced appraisers, single-handedly! Crazy. They might have single-handedly taken down the market! The fact of the matter is that as long as the bank is the "Client" in the appraisal, the easy money corruption of the process by the banks will continue. This is a scary fact considering that now the banks are allowed to own the AMC's that pick the appraisers!! This is exact same scenario as the WAMU and Eappraiseit fraud and appears to be someone somewhere expecting more of the same corruption to continue!! Even more so now that it's been legitimized!!! Are you all insane? Didn't you learn from the bubble and bust and this AMC enabled fraud?? Quality underwriting is

non-existent and much of it is outsourced to India! (to make sure all the boxes are checked on the report). Banks being allowed to own AMC's is playing fast and loose with the taxpayers money and should not be occurring now or ever again! The only way to stop the corruption of the process at the appraisal level is to take the banks totally out of the process as originator and the "Client" that picks the appraiser! THIS IS THE ONLY WAY! Let's go back to having the banks do real quality due diligent underwriting, you know, like the taxpayer isn't really buying all the loans the banks can write up. Like the banks are making a real market that world-wide investors would want to invest in ! - at least in process of policy. As it is, with the GSE's buying all the loans the banks can write, WHY should the banks care about proper procedures and due diligence when they have appraisers working as slave labor with AMC's cut rate fees to pad their bottom line??!! They don't and won't, ever! They thrive on risk and it doesn't matter who's money they're using. They're still using models that already blew up and no one notices? Come on, do your job Federal Reserve. If you were to get the banks out as the "Client" then anyone, anywhere could order an appraisal and the banks would have to do proper underwriting. Is that so bad?? That would enormously help the consumer and after all, isn't that what this is all about? Giving the consumer the best possible choices? They've been beaten down so long with bailouts, falling home values, stock market losses, retirement plans gone bust, foreclosures, states cutting services and a debt that will last generations! You need to re-write appraiser independence around what's best for the consumer - they deserve the best treatment after all they've been through and are still going through. Use your heads, the banks can't continue to be client or there will be corruption. Appraisers have USPAP for their regulation. Adding more regulations is not going to solve the problem at it's source - the banks. Neither will the use of AMC's as a "firewall" stop the banks and their corruptive ways as they are part of the problem. If you want to catch a snake you don't grab by it's tail or anywhere in between, you grab it by the head. It's "Common Logic" that could save our lives and livelihoods if used properly. Get rid of the banks as the "Client". Allow brokers and consumers to order their own appraisals and face true bank due diligent underwriting where the loan will be made to the new "Clients" on the best appraisal product and not "Speed and turn-around time (turn around time is the time from the order to completed delivery back to the client which with the AMC's is a ridiculous 2 days. You just can not complete a competent appraisal in 2 days. You could if you were cutting corners but is that what the consumer really needs?). The consumer is paying \$600 for a \$250 appraiser and is getting a \$250 job. This is a bait and switch. The consumer is not getting what they're paying for in quality and experience. Re-think the whole thing - it's in the best interests of the whole country. As you've said, home prices are the backbone of this economy, let professionals do their jobs and get the bank owned neophytes out of the appraisal business. It makes no sense whatsoever. Do plumbers need management companies? Do any contractors? NO !! Sincerely: Connor Appraisals, Inc.