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Subject: Regulation Z -- Truth in Lending

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Comments:

Date: Dec 21, 2010

Proposal: Regulation Z - Truth In Lending Act

Document ID: R-1394

Document Version: 1

Release Date: 10/18/2010

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Exactly where does one begin with the mess that HVCC created. In looking back; the idea behind this regulation seemed honest and worthy enough. However it was (and still is) incredibly short-sighted and "in fact" quite ignorant. Let's see - we'll regulate the mortgage brokers/lenders and tell them we don't trust you anymore to develop honest relationships with appraisers. So, here comes HVCC along with the Government, Andrew Cuomo, FannieMae and who-ever else was involved.and we let them put an entirely new industry in charge with carte-blanche to use and abuse the appraisal ordering process. I spoke with EQUIFAX Settlement Services about a year ago. I had been signed up with them for maybe 6 months at the time and was inquiring as to why I hadn't seen any appraisal assignments from them. The representative informed me that I was indeed an approved appraiser in several counties but that I wouldn't be getting any work because my fees were too high. My follow-up question was how on earth did I get approved onto their panel if my fees were TOO high, if indeed nothing but that mattered. Why would I need to submit a resume, licenses, E&O, sample appraisal work if all that mattered to obtain an assignment was the lowest fee? I asked if they agreed that the spirit of the regulation was designed to "DISTRIBUTE" work blindly without any prejudice towards any particular appraiser. If my application (which included fees) to their panel was accepted by them, then any reasonable and prudent business person would expect to see appraisal assignments distributed fairly and equally to anyone on the accepted panel. Of course the representative couldn't answer. Here's what I don't understand; If the powers "that be" decided that they couldn't trust the quality and integrity of the appraisal by an independent licensed appraiser, what makes them think that they can trust the quality and integrity of an appraisal that was assigned to the "least expensive" licensed appraiser that the AMC could find. There is NO REGARD or interest in finding experienced and/or qualified appraisers in particular areas. The AMC would rather choose an appraiser with less experience from over 50 miles away and several counties

away simply because they (the AMC) make more money on the assignment. The only TWO people getting screwed here are the experienced appraiser (who is forced to keep lowering his/her fees) and the poor homeowner (who is forced to keep paying higher appraisal fees). I've been working with an AMC out of Pittsburgh, PA since the summer of 2010. When I first hooked-up with them, I informed the NJ Vendor manager of my fees. \$25 less for a standard SF (1004 form) fairly non complex property assignment, than I was getting from a significantly larger, more well-known AMC based in the same town as they were. He was hesitant to put me on his panel, but said he would "give me a shot!" After about 4 or 5 weeks, the manager called me to say he was pleased with the quality

of my work, responsiveness and timely manner in which I completed work. I responded by saying great, send more work. Dangled my line and he took the bait. His response was that if I lowered my fee by \$25 more I could "move up" on their list. Obviously the only thing that mattered was LOWEST FEE, not the quality of work. He freely admitted that they ranked appraisers by fee 1ST, then by quality of work. Well, I reluctantly agreed to it looking to be busier while making more money on volume of work. For the next few weeks the work was pretty steady and clearly there was more of it. Suddenly the assignments dropped off. My follow-up conversation with the NJ Manager sounded disturbingly familiar; lower my fees if you want the work to continue. My Lord, I thought I was in a Soprano's episode. FRB ]] PLEASE understand this: Reasonable and Customary is NOT going to work as long as you have an unregulated AMC industry. If you are looking for the right ANSWER to this issue?.... Fees should be separated and AMC's should be regulated to PROVE they are distributing work solely on the quality of work and responsiveness of the appraiser. #1: The AMC charges the "LENDER/Client" a flat fee for the work of "processing" an assignment. This processing fee is paid by the lender/client to the AMC and has NOTHING to do with the appraiser. Allow all AMC's to determine what that fee should be; based on what work is involved (processing, distributing, reviewing). #2: Appraisal fees are then set by appraisers, registered in the AMC database of approved appraisers and simply passed onto the lender/clients. Too difficult to work out. Fine; so you don't think that can work?? I actually like the following idea better and it's so much easier to implement and regulate. Put a PERCENTAGE CAP on what the AMC can take from any Appraisal FEE and allow FULL DISCLOSURE of the FEE by the Appraiser within the report. If WE did JUST this alone: NOTHING ELSE WOULD MATTER. Think about it - AMC's could actually make more money by finding the higher priced more experienced qualified appraisers...If it's all about MONEY to them. OR SIMPLY PUT - The AMCs and the Appraisers would work together to establish REASONABLE and FAIR appraisal fees that they can both live with. FULL DISCLOSURE of THE FEES BY ALL PARTIES INVOLVED WOULD BE ESSENTIAL to MAKING THIS WORK FOR EVERYONE. DO SOME MATH: For ARGUMENT SAKE : If an AMC feels that they need to make a \$100 on each appraisal that they distribute; using a 25% cap would result in an Appraisal Fee to the consumer of \$400 with the Appraiser getting \$300. Highly complex, rural locations and more difficult assignments would result in higher consumer appraisal fees (maybe \$500 to \$1000) to do an appraisal. The appraiser getting 75% of this gets paid fairly and the AMC makes out fine as well. By allowing everyone to DISCLOSE the fee: everyone can feel assured that NO-ONE was taken advantage of. If I'm allowed as an appraiser to write INTO MY REPORT - MY FEE PAID; then the lender as well as the homeowner/borrower knows (based on these established CAP percentages) if anyone was screwed. An example: A typical homeowner/borrower gets charged \$500 for an appraisal, they get the appraisal back and see the fee as something other than \$375.there's a problem. The lender is going to see the same fee DISCLOSED. They as well can see if the AMC took an unfair percentage. The KEY TO ALL OF THIS..is to #1 - establish a

PERCENTAGE that the AMC can live with to simply DISTRIBUTE/REVIEW Appraisal work. This is much more simple and direct while establishing some regulation for all involved. Reasonable & Customary appraisal fees would STILL BE THE ULTIMATE RESULT WITH THIS PROCESS. There would be NO infringement on the part of the AMC in being able to make more money, because more profits should come from attaining more lender clients and NOT from taking more and more money out of the Appraisers pocket. SO ] Do the right thing, get smart and think about the process. This could work for everyone involved. It's SIMPLE and easy to Regulate/Monitor.