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Date 12/21/2010 - The "Longest Night" Proposal Regulation Z - Truth & Lending Act Doc. #R-1394 & RIN #AD-7100-56 To: Chairman of Federal Reserve; Ben Bernanke Dear Mr. Bernanke, I am a 20 year veteran of the real estate industry. This comment is to inform you of the daunting direction our industry is heading toward & the great trouble that our country will be faced with if the 3 lender giants are allowed to control the appraisal ordering process under the guise of an AMC. As we all know, the newly established practice of controlling all aspects of ordering & receiving appraisals is ultimately driven by profits generated for the parent (Lender) company. Sale high - Pay low. The reality is that the big lenders have exploited a new niche in the market place & initially appear to be the only beneficiaries. However, as these changes in the industry ultimately ripple through the lending process, the lenders will be hit the hardest by the loss of loans & revenues due to the chaos in the market place they've created. In an era of high-tech, on-line-based lending, we are really beginning to feel the full effect of these appraisal management companies having too much control. The AMCs are hoping to establish a new norm for the industry. By stating that their services necessitate such a significant portion of the appraisal fee is really self serving. The 'reasonable & customary' fees paid to appraisers should not be dictated & governed by the lenders or any of their subsidiaries. Intended or not, the resulting turbulence that our country's real estate industry is now facing can be, in large part, attributed to the chaos the AMCs have brought into the process. I wonder if Andrew Cuomo of New York had any idea of the tail spin his plan would put our industry (& county) into? The sun has recently set on the original HVCC, but if not corrected soon, these changes will have large & unforeseen consequences to the banking and financial industries. It is obvious that our country's financial challenges will not end soon, but for appraisers that are forced to work with these AMCs under the present conditions there's a lack of ability to provide quality appraisals and make ends meet. That in itself could be the demise of the real estate industry. The direct result of AMCs taking approximately 1/2 of the reasonable & customary appraisal fees is that the

intended users (the lenders) cannot confidently rely upon the final numbers of an appraisal. The reason? A greater portion of experienced appraisers are moving on. They are leaving the appraisal industry for federally related loans. Some of the best appraisers are even changing careers entirely and it's tragic for the lending industry. The industry is losing its mentors and the lenders will be left to rely upon the conclusions of inexperienced appraisers who are falling prey to the low AMC fees. How long will it be before the new generation of appraisers become reliable? Once these new appraisers are brought up to par, will they continue to work at break-neck speeds for so little compensation? Who knows? Mr. Bernanke, as stated, appraisers can no longer make a living working as independent contractors for the AMCs under the current payment strategy. The borrowers are paying enough for the appraisal service. Let the lenders pay for the extended services of their AMC arm as a cost of doing business. Better yet, get rid of the AMCs altogether. Allow non-commissioned employees of the various brokerages & lending institutions to control the appraisal ordering & receiving. Have strict and well-communicated guidelines govern the process and create serious penalties &/or immediate consequences to discourage the criminals. In the very least, instead of having AMCs run the whole show, allow appraisers more control of their businesses and give our industry the chance to regain the confidence of the consumer. By fairly compensating the appraiser, the only person in the entire process that is impartial, the lending industry will begin to recover. Please act soon, there may not be too much time left before the competent 1-4 unit appraisers are gone and AVMs are about as reliable as a BPO.....