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Chairman Ben S. Bernanke, Board of Governors of the Federal Reserve System, 20th Street and C Street, Northwest Washington, DC 20551 The colateralization of real estate loans should be free completely from the influence of interested parties, like the bankers and mortgage brokers and investors. The present regime where the interested parties control the whole process from beginning to end, including Appraiser remuneration makes a joke of the so called "freedom of the gatekeeper's independence." The big banks are the owners of the biggest Appraisal Management Companies, or are partners and shareholders in them, just like Chase and eAppraiseIT, or Wells Fargo and it's AMC, or Bank of America and it's AMCs. How does the Appraiser stay free to give unvarnished opinion when his payment and livelihood is controlled by these same interested parties? The first real reform of the process should be forcing the banks to completely hands off Appraisals. How this is done is to let Appraisers get paid by the client at the door. Once the banks cant hold your money to ransom, and they are only directly involved in choosing from a list on rotation basis. That makes sure they cannot cherry pick Appraisers to hit their numbers as presently is. It used to be hit the highs. Now it is hit the lows so they don't have to do the deal. The so called "quality of the Appraisal report" will then take care of itself where the Appraisers who continually submits poor reports are removed from the roster though enforcement by the boards, leaving the cream of the crop to do the work. The new educational requirements makes sure that educated individuals and quality minds are going to populate the ranks of Appraisers hence. More and more college graduates will join to make the profession their own, further improving the integrity and quality of the work. Because they don't want to spoil a lifetime of work by being sloppy or dishonest. This brings younger practitioners into the fold, ensuring continuity of quality minds. Remember if you pay peanuts, expect monkeys to do the work, because human beings don't live on peanuts. The Appraisal is so important to the US economy because it is the gatekeeper to the generator of 7 in every 10 dollars locally earned, directly or indirectly in this country. When the Real Estate market is good and healthy, it generates wealth for the

homeowner, he goes out and buys cars, he does additions to his house, he buys TV sets for the new room, he carpets the rooms and paints it, he takes vacations because the value added to the house has brought some money to his household. All these generate consumption of goods and services that turns around and makes new potential home buyers for the new homes demanded by the expansion. But all this cannot happen unless the gatekeeper can give an unvarnished opinion of the real value of the collateral. Let the Appraiser be paid at the door, and keep the interested parties out of the appraisal management

regimen. Let there be a roster like the FHA roster for all residential Appraisers. Then have the banks rotate through the list. That way you reduce the chance for fraud. Remember that as with all fields of human endeavor, we humans will find ways to corrupt the system. But it will be reduced. The main reason for the present malaise is not the appraisal. It is the corruption, greed and avarice of the banking system. Because the bankers control the money, they control the Congress. Since they pay the piper, they dictate the tunes of Congress and everyone else. What the real problem is that precipitated this present problem is yet to be addressed. So expect this situation to occur again, on a grander scale next time. Let the Appraiser get paid the going rate for the locale at the door. Stop the banks from dictating the contents of the report to the Appraiser. For by the time the contents of the report are dictated to the Appraiser, the conclusion of opinion of value has become imperative

by deductive thinking. It was not the opinion of the Appraiser anymore, it is the opinion of the dictator of contents of the report. Especially the big banks. Concerned and Anonymous Appraiser