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Comments:

Customary and Reasonable fees for appraisers is an issue that touches so much more than appraisers. The HVCC damaged the market beyond what can reasonably be considered "unintended consequences". AMC's became the easy out for lenders and thru misinformation many lenders believed it was required. This led to AMC's giving work the the lowest bidder regardless of their knowledge, experience and area of expertise. As an appraiser I regularly got requests for work 2 - 300 miles away from my office for fees less than 50% of a typical fee in this area. I also saw appraisers come from 200 miles away to do work in our area with no access to MLS or local data and no knowledge of our area. While some strides have been made by some to correct some of these issues, AMC legislation has had no teeth and AMC's are still sending work to the lowest bidder with no regard to quality. Some of the largest bank owned AMC's rank their appraisers based on lowest fees and turn time with no regard to the quality of the work. The appraisers that require a turn time sufficient to honestly meet USPAP requirements (more than 24hrs from inspection time) see little or no work from them. Being a residential appraiser for 20 years I have seen the market changes but none as distructive as the HVCC to the consumer who is now paying more than ever for an appraisal and most often to the least qualified appraiser for a quick and dirty job. Working with brokers for many years I can honestly say while there were abuses by some I did not find it wide spread and the abuses now by AMC's far surplant any seen prior to the HVCC. The fee paid to the appraiser should be REQUIRED to be included as a line item in the appraisal report where it cannot be removed so there is clear disclosure to the end user. AMC's taking a "split" of the appraisal fee needs to be prohibited to take the emphasis off the cheap and dirty appraisal and bring quality back into the process since AMC's have been unwilling to do this and there is no enforcement of rules which clearly are unenforeable. Appraiser's have been held liable for their work for many years, are licensed and yet AMC's and underwriters have been put in charge of the process with no education on the appraisal process or USPAP. As long as real estate is to be held as collateral in a transaction it is imperative it be valued properly

without undue pressure from those interested in the transaction and pressure for a quick and dirty number. Appraisers have always had the ability to turn down work from unethical sources; however since AMC's have become such a large section of the market it is harder for an appraiser to fight back unreasonable requests as one AMC could now be a much larger portion of their business than it was when appraisers had a balanced clientel of brokers, lenders etc. In working to correct the consequences of the HVCC to the public and lending as a whole it is very important to put the educated licensed appraiser back in control of the appraisals they provide. The appraiser is a licensed individual which has oversight by the licensing body of each state and can more easily and quickly see sanctions to correct deficiencies than non licensed underwriters, large lenders or AMC's which tho mandated to be licensed continue to work without oversight. The cost of adding oversight to the AMC's that is effective is an unnecessary burden to the consumer since AMC's have not added any benefit to the quality of the appraisal process and have in fact not only lowered the quality but caused many very well qualified appraisers to leave the business as the clients they worked with for years can no longer work with them but now work thru a 3rd party (the AMC) that is only concerned about how much of the fee they can keep. Many states have put in place well meaning legislation for AMC's, however the cost to set up an effective enforcement to the consumer would well surpass the cost of an appraisal as lenders pass along any costs imposed on them to the borrower. As currently written, the laws in our state to oversee AMC's is ineffective and will remain ineffective due to budget constraints. Allowing appraisers to work with brokers, lenders etc directly and having the appraisers licensing board take authority over quality is the least expensive and most effective and efficient means to providing quality valuations to the market. Thank you for your consideration in this matter.