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Subject: Regulation Z -- Truth in Lending

Comments:

Date: Dec 23, 2010

Proposal: Regulation Z - Truth In Lending Act
Document ID: R-1394
Document Version: 1
Release Date: 10/18/2010
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The scope of work for an appraisal assignment for a residential mortgage loan is influenced not only by the requirements of USPAP but also by additional underwriting requirements from GSEs, the appraisal management companies and the client. As the scope of work changes, so should fees. Therefore, the use of "Customary and reasonable" fees as established in a fee schedule is impossible. Bidding for each specific assignment in each specific market would however reflect the complexity of that specific assignment, and as additional information gathering, analysis and reporting requirements are made part of the appraisal assignment, such as completion of the 1004 Market Conditions Addendum for Fannie Mae, lender requirements to included additional sales in declining markets, requirements for the inclusion of comparable active listings, inclusion of aerial photography of the subject property and market area and inclusion of raw data from the local Board of Realtors on recent sales in the neighborhood whether such sales are part of the appraisal report or not, each appraiser could bid their fee and turn-time accordingly. If the client has no time constraints they can select the lowest bid. If however prompt turn around time is needed to address, say a rate lock, then they may select the bid with the shortest turn-time. This is how appraisers worked prior to being distanced via HVCC and other strategies necessary to maintain appraiser independence. HVCC and the subsequent popularity of AMCs, in particular the AMC subsidiaries of the 4-5 largest banks doing residential lending, created a oligopoly and, in controlling the market reduced appraisal fees paid to the appraiser by 50% while increasing the fees paid by the consumer. This specific conduct is the conduct that regulators should focus on as these large banks and their AMCs account for a very large percentage of all residential appraisals. It is also important to consider that at least one of the largest residential lenders is notorious for blacklisting appraisers. Indeed, this conduct is, today, forbidden, but it continues as they subtly pressure appraisers to develop opinions of value that are consistant with their specific lending agenda. This is not in the public's best interest and should be

addressed. Thank you for allowing us to voice our opinion.