

From: Anonymous
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Comments:

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Name: Anonymous Appraiser

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Category of Affiliation: Commercial

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Comments:

I am an appraiser in State, and am writing to urge the FDIC to take substantive action with regard to requiring lenders to pay a reasonable market fee for appraisals as part of the due diligence process for lending. In , we have seen appraisal fees decline from approx. \$400 in 1992 to \$230 or less in 2010, at the same time as reporting requirements have markedly increased. While the economic situation of fee appraisers is not the direct concern of the FDIC, assuring that appraisals are credible is essential to the integrity of the lending process. Nationwide, there is currently a large oversupply of appraisers in relation to loan volumes. This creates a strong opportunity for AMC's to increase profitability by reducing fees paid to appraisers to the extent that many experienced appraisers find it impossible to continue. Extreme pressure on fees from AMC's has the effect of selecting appraisers based on speed of driving, not based on thorough review and analysis of markets. An increased differential between the compensation paid to appraisers and the appraisal fees charged to borrowers serves the interests of AMC's while harming the interests of consumers and the overall integrity of the mortgage market. Allowing fees for appraisals to sink below the level required for thorough and competent research and analysis can only perpetuate the harm done to the reputation of the lending industry, the security of the nation's financial system, and the just interests of borrowers. Please take action to ensure that fees are commensurate with the time and expertise required to produce credible appraisals. I am omitting my name out of respect to the legitimate interests of my family, to avoid retaliation from the national AMC's which have corralled the vast majority of appraisal work in my area, and most of which unfortunately parcel out that work on the basis of achieving the highest profit for the AMC, regardless of experience or work quality of the appraiser.