

From: Anonymous
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
Name: Anonymous
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country:
Zip:
PostalCode:

Comments:

Comments To whom it may concern. My firm performs Real Estate Appraisals in New Jersey. We in the industry are both delighted by the actions taken relating to the Truth in Lending Regulation Z reform and concerned that you will be swayed by misrepresented information supplied by TAVA or others within the AMC area of the market. Clearly it is evident from the letter dated August 25, 2010 presented to Mr. Bernanke that the AMC's are willing to say and do almost anything to protect the current business model. The letter indicates that customary and reasonable fees are, " so called" and ""lacking in any coherent definition". There are fees schedules/surveys for most residential appraisal types from the VA, Fannie Mae, FHA as well as AI A mode and Working Realtor. Additionally all you have to do is go to Bankrate.com to obtain normal closing costs from their database in almost any area. That the banking industry has been given till April of 2011 to comply is further evidence of their power and lobbying efforts. Since the majority of the Bill embraces the HVCC there is little need to give the industry time to setup compliance as it has for the most part been in effect for years. The Federal Reserve now has an opportunity to decide if Appraisal Reports and the Appraisers add value to the lending process or not. We within the appraisal industry have spent years attempting to comply with licensing, USPAP, Fannie Mae reforms and the ongoing continuing education to remain current with industry changes as they evolve. As Professionals with highly advanced training, multiple years of experience and advance degrees, I would put forth that we are not the most serious problem facing the Lending Process. The sub-prime event that started the most recent economic decline, coupled with the callous robo signing Foreclosure problems, along with the flawed business model of the AMC's clearly illustrates that the Banking Industry needs reform to its policies, practitices and overall ethics. Appraisers are going out of business because the majority of the assignments have been put under the control of AMC's which have a flawed Business Model. The Model should be cost plus, not demanding that the Appriaser support the process. In our practice we have been assigned and

accepted orders, done the research, scheduled the appointments only to have the order cancelled for fee requests based upon complexity. We would put forth that there should be a minimum data set in terms of the report, based upon a livable customary and reasonable fee and an appropriate realistic term time. The Scope of Work and what is relevant to determine and be responsible for the Final Value should be the Appraisers responsibility and not subject to a changing creep of additional information which adds little to the validity of the report but does increase the complexity and allocated time for the report without an adjustment to the fee. Please be realistic and understand that the noted customary and reasonable fees and guidelines set forth here are necessary to protect the lending industry, the consumer and the overall Economy from another much more costly meltdown.