

From: Anonymous
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Proposal: Regulation Z - Truth In Lending Act

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Comments:

1. (226.42(F)(1) Volume based discounts for a creditor that provides multiple appraisal assignments to a fee appraiser does not make sense as an appraisal report is not the same as buying a quantity of a manufactured product, and volume based discounts could easily be used as a loophole to avoid paying customary and reasonable fees. As most appraisal assignments go through AMC's these days, AMC's could easily force the appraiser to accept "discounted" pricing if the appraiser would like to accept more than one assignment from that particular AMC (and what would be the time frame for "multiple" assignments, 1 day, 1 month, 1 year?). The whole concept of customary and reasonable fees would evaporate. 2. (226.42(F)(3) In determining customary and reasonable fees, a creditor should not be able to use third party information that includes AMC fees, as the entire business model of AMC's are based on underpaying the appraiser. Dodd-Frank states that AMC fees are not to be used as examples of customary and reasonable fees. Any survey or study should be done by a third party using information which excludes AMC fees as per the intention of Dodd-Frank. 3. (226.42(F)(l)(A-F) Currently AMC's do not normally pay a higher fee for a complex assignment. This needs to change, as it is customary and reasonable to pay a higher fee for a complex assignment. 4. (226.42(F)(l)(A-F) The minimum report turnaround time should be 48 hours from property inspection for a typical single family appraisal, as many AMC's demand 24 hour turnaround or less, which at times is not reasonable for a professional report. If the appraiser does not meet the 24 hour turn time, the appraiser is often not used by the AMC for further assignments. While this change in the industry is a process of examining the new rules & regulations to be adhered to, consideration of customary & reasonable fees are readily available for review by compiling the reports & fees paid for all appraisal from 2000 - 2007 prior to the mandatory use of AMC's or HVCC which outlines reasonable & customary. The AMC's are taking 40% +/- of the appraisal fee with no risk, no liability and place a new pressure on appraiser's that effects the reports (turn time) which produces

sub standard work. This in turn is effecting the consumer & lenders thereby giving birth to a new problem. While the HVCC or Dodd-Frank will hopefully resolve and fine tune the issues the fees that are being paid now are not customary or reasonable by definition. Customary is historical and the banking system historically has never forced AMC's as the only source of receiving appraisals therefore the fees being paid now are not customary of the United States free enterprise system or part of the free trade therefore the fees that should be considered & the amount the AMC's retain from the fee should be regulated along with the rest of the system. To do less is to fail the American system and way of life. When the government steps in then they must step in all the way and not be selective but be impartial to provide fair, reasonable, customary and ethical standards that apply to all for the good of ALL.