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I am commenting anonymously due to the likelihood of being "blacklisted" by appraisal management companies, and therefore completely destroying my livelihood because I dared to offer my observations of what I consider to be the current realities of the residential appraisal industry all across the United States. At present, the vast majority of residential loans, and thus, residential real estate appraisal orders, go thru the 'Big 5' lenders/bankers. More specifically, appraisal orders go through appraisal management companies (AMC's), owned by these same 'Big 5' lenders/bankers. The CONTROL of the bulk of nationwide residential appraisal orders has led to HIGHER appraisal costs to the consumer, and LOWER appraisal fees to the actual appraiser, with the skimming of a large percentage of the appraisal fee, and lends itself very nicely to effective control of residential real estate appraisers. The market for appraisal services is currently not 'free'. The skimming of fees is a huge new profit center to the very lenders/bankers who, arguably, have been the biggest cause of the mortgage mess, bringing the US to the brink of economic disaster. The collateralization of real estate loans should be completely free from the influence of ANY interested parties, particularly bankers, mortgage brokers, realtors and investors. The present structure, where the interested parties (particularly bank-owned appraisal management companies) control the entire process from beginning to end, including Appraiser remuneration, makes a mockery of the entire process, holding appraisers' income and livelihoods hostage, enabling the effective blackmailing of appraisers under a constant threat of economic ruin, and clouds so called " appraiser independence." The largest US banks are effectively the owners of the largest US Appraisal Management Companies, or are partners and shareholders in them, like Chase and eAppraiseIT, or Wells Fargo and it's AMC, or Bank of America and it's AMCs.

How does the Appraiser stay free to give an unbiased opinion when his/her payment and livelihood is controlled by these same interested parties? The current system is a perfect setup for banks, charging the consumer higher

appraisal fees, and effectively charging the APPRAISER for these so-called 'management services'. The bankers have consumers fooled again, as most consumers mistakenly believe the fees that they pay 'for the appraisal' go directly to the appraiser. The current system forces appraisers to accept jobs offering the lowest fee under a 'one price fits all' fee structure, with unreasonably fast turnaround time, all under the threat of no future business / economic ruin, for a product that can be extremely complex and time-consuming, requiring a certain set of training, skills, judgment, and experience. The AMC then TAKES, in many cases, up to 50% and more of the appraisal fee FROM THE APPRAISER! The major questions are, "Should the valuation of most Americans' largest

single investment as collateral for mortgage lending purposes be effectively reduced to a 'fast food' item and process BY and FOR the mortgage lending industry? Should the appraiser pay for AMC services OWNED & implemented to benefit the LENDER? The answer to both questions should clearly be 'NO!' The current system, which concentrates the vast majority of appraisal orders in the hands of a relatively few lenders and AMC's has resulted in the highest fees to consumers and the lowest fees to real estate appraisers in recent memory, effectively forces out the most experienced and qualified professionals, and attracts the newest, least-experienced and least-qualified real estate appraisers. It forces a 'take it or leave it' decision by appraisers to accept artificially low fees dictated by the AMC or effectively leave the residential appraisal business. Real reform of the current system should entail the following safeguards: 1) A policy of complete "hands off" of the appraisal process by ANY interested parties, to eliminate both direct & indirect control or interference. The appraiser is the only unbiased party in a real estate transaction (Is it wise to have any interested party in the process effectively in control of how much an appraiser is paid, for what work the appraiser is paid, and when an appraiser is paid, by parties that are not licensed or certified, and who are not bound by professional ethics?) 2) Banks / Lenders should not be permitted to own and / or operate AMC's in any capacity, as it is a clear conflict of interest, akin to "the fox guarding the henhouse". 3) Regulate AMC's to require that anyone employed by the amc that comes in contact with the appraisal, appraiser, or the appraisal process is a properly certified appraiser by the state in which the actual appraisals are performed. (At present, a high school diploma qualifies one to interact with professional real estate appraisers, dictate procedures, 'manage' vendor appraisers, and in some cases, review appraisals by checklist). 4) Regulate AMC's to require anyone employed by the amc that comes in contact with the appraisal, appraiser, or the appraisal process to be bound by the Uniform Standards of Professional Appraisal Practice (USPAP). 5) Regulate AMC's to prevent them from charging the appraiser for unwanted, unneeded appraisal 'management' services-----these services are performed for the benefit of the banks/lenders, and therefore the banks/lenders should be billed directly for these AMC services. In turn, require a CAP (maximum) amount that an AMC can ever "skim" from the appraiser ranging from 5% to 10%, with full disclosure. 6) Regulate amc's to require payment of a customary AND reasonable fee, a fair, minimum fee to the appraiser---commensurate with EACH element of the requirements of a particular appraisal assignment (the scope of work)-----including the complexity, expertise, turnaround time, supplemental lender requirements, and any additional work required on any given assignment). 7) Require a definition of "appraisal fee" distinct from " appraisal management fee", as the two are not the same. DEFINITION OF CUTOMARY AND REASONABLE APPRAISAL FEES: "CUSTOMARY & REASONABLE APPRAISAL FEES" are THE AMOUNTS CURRENTLY BEING PAID BY CONSUMERS

FOR an actual appraiser to perform an appraisal, or for what they have been led

to believe is for an appraiser to perform an appraisal. There could be no other possible definition. "Appraisal management fees" on the other hand, are NOT Appraisal fees. Appraisal management fees are currently not disclosed by lenders to consumers. They are hidden by the lender, by design, where the consumer is never told that there are "appraisal management fees". 8) Require full & complete disclosure of both the fee paid to the appraiser AND the fee taken by the amc (the appraisal management fee) on the HUD-1 Closing / RESPA statement as separate, itemized fees. 9) Do not abandon sound valuation / appraisal principles, procedures, and common sense at the request of the US lending industry, GSE's (Fannie & Freddie), and their lobbyists in the face of the mortgage mess, the most massive and unprecedented fraud perpetrated on the American public in US HISTORY, bringing the country to the very brink of disaster. 10) Understand that the solution to a very large lender (WAMU) colluding with its very own appraisal management company (eAppraisit) to "fix" appraisals on a mass scale so the lenders deals "work", is absolutely NOT to then have AMC's, OWNED BY THE LENDERS, 'managing' the appraisal process. The ruination of the appraisal industry should NOT be caused by the Attorney General of one state (NY AG Andrew Cuomo) striking a back-room deal with FNMA & FHLMC, to not disclose the massive fraud he uncovered in exchange for the HVCC. The Appraisal is critically important to insure sufficient collateral backing US mortgages, vitally important to the US real estate and lending industries, and therefore to the entire US economy. Home purchases are estimated to generate 7 out of every 10 dollars generated locally, either directly or indirectly. Certain products and services lend themselves to commoditization, as in 'fast food', for the benefit of both producers, and more importantly, for consumers. However, certain critical products and services ought NOT to be allowed to be commoditized, and Real Estate Appraisal is certainly one of them. Consumers are not benefitting now, nor will they ever benefit in the future, under the current system of 'appraisal management' under the plans of the bankers. It is very easy to see this happening by anyone with even a passing interest in what is really happening to residential real estate appraisal. The current system is SICK. To leave the residential appraisal industry to the mercy of the currently rigged 'market' would be a ruinous, disastrous error. Real reform, with real substance, teeth and enforcement is needed right now. Appraisers know what "customary and reasonable" means. Bankers likely are attempting to change the common definition. The only group currently being fooled are consumers, yet again. I urge all that are considering this measure to stand up and do the right thing.