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December 13, 2010

Chairman Ben S. Bernanke
Board of Governors of the
Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 29551



RE: Implementation of Reasonable &
Customary Fees for Appraisers

Dear Mr. Bernanke:

In a time of starvation, farmers eat their seed corn and then have nothing to plant in the spring.

The appraisal industry will soon reach a similar situation.

As we laid off our appraisal staff and closed our office, moving our office into a corner of our living room to save office rent, we no longer had room for appraiser trainees. We found lenders – AMC's did not permit appraiser trainees to participate and work for them, at any price. Appraiser trainee work totally dried up, and their meeting the federally mandated Appraisal Foundation requirements of 250 completed appraisals to become certified almost impossible to attain.

During the heated market of the mid 2000's when sales went through the roof because of inappropriate lending requirements, and because of anticipated increased appraiser certification requirements, the appraiser field had become flooded with new, inexperienced appraisers – far too many for the normal market.

Now, with the continuing recession, the housing market has dropped to the lowest it has been in many years, and may continue to decrease.

We have too many appraisers now. We are losing appraisers rapidly due to retirement and changing of occupations because of low appraisal fees. In another five years when the housing market returns, there may well be insufficient appraisers. Supply and Demand will force appraisal fees to go upward – regardless of any federally set fee system.

But it will be too late. It will take years before appraisers move out of their room at home, and back into a commercial office situation. I'm saving \$525.00 a month working from my home. Why go back to a commercial office location?

Appraisers working from their home are not in a position to have one or more trainees wandering in and out of their home. Often appraisers work odd hours – we all have worked overnight to finish an appraisal. I cannot have a trainee in my home looking up data at two in the morning, much less at nine at night. We will not generally train appraisers from our home.

In my case, in five years I will be retiring – not training appraiser trainees. My twenty six years of training and appraisal experience will be lost to any trainee.

Where will the trainee find appraisal assignments? Where will the trainee find appraisers who by state regulations must be supervised by a certified appraiser?

We are eating our seed corn.

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