

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

Comments:

As thousands of appraiser warned, the HVCC has decimated the appraisal profession and created chaos and gridlock throughout the entire mortgage finance system. Unfortunately, once a shift so great has been prepared for and implemented by nearly every lender in the country, it is now very unlikely that lenders will ever return to the prior system of direct ordering because of the high cost in time and money. This makes it imperative that the proposed new regulation that sunsets the HVCC and replaces it with new guidelines take into consideration the most damaging aspects of the HVCC. The "firewall" between appraiser and lender that prevents, or at least greatly reduces, lender pressure to hit certain values or not mention property problems is the one part of the HVCC that is beneficial. However, there are much greater problems created by the HVCC that did not exist before. The greatest irony of the HVCC in my opinion is that it was touted as being for the protection and cost savings of the homeowner, yet it has actually greatly increased the cost to the borrower of obtaining or refinancing a mortgage and has exponentially increased the amount of stress and confusion they must endure to get the loan. There are several items that I feel are imperative inclusions in the new law. One major problem now is that too many loan officers have no idea what the current regulations are and what supplemental guidelines their particular lender has. The loan process has become so difficult that many loan officers simply give up and change jobs before they ever really even learn the ropes. This leads to them give the borrowers information that is not true and make assumptions about the appraisal process and report that will not be accepted by their underwriter. Loan officers should be required to know the basics about what underwriting requirements for their specific lending institution actually are, and they should have to obtain certain basic property information that determines what type of appraisal will be required before ordering an appraisal. Borrowers are being told they don't have to have an appraisal done when they actually do. Borrowers are being told they can get a single family residential appraisal on 100 acre farms and multi-family properties. "As is"

appraisals are ordered on properties under construction. The borrower then does not understand why the entire process has to be put on hold until the appraiser can find out what the acceptable course of action actually is. The worst part of this recurring problem is that the appraiser is often the only person with whom the borrower actually has direct, face-to-face contact. Human nature is that people usually take out their frustration on the most available and proximate person, so appraisers pay the price for the lender's lack of knowledge and planning. The borrower's frustration is then compounded by the fact that it may take days or weeks to get an answer from the lender about how to handle the specific problem because we are not permitted to have any direct communication with the lender. Communication must be made to the AMC, then relayed from the AMC to the lender, then the lender responds to the AMC, and then the AMC relays the message back to the appraiser. In the process, there have been way too many people involved in the communications and the information is often altered in translation. Second, if AMCs are going to continue to have a monopoly on the appraisal market, the borrower MUST be told this up front. The borrowers should be informed at the initial stage of the loan application process that they will be paying for a middle man to assign the appraisal order, prevent direct communication between appraiser and lender, and deliver the appraisal report to the lender. The exact amount the AMC will take must be spelled out for the borrower, especially considering the AMC is taking away the borrower's theoretical right to choose their own appraiser. Borrowers will create their own free market pricing once they know what they are actually getting for the additional appraisal expense. It is dishonest and unfair to continue to allow borrowers to remain in the dark about what the actual fees are, and it creates needless ill-will toward appraisers when borrowers are allowed to believe that appraisers are actually getting the exorbitant appraisal fees being charged to their credit cards. In my state of Virginia, legislation has been passed that requires the appraisal fee and the AMC fee to be separated on the HUD statement. This is a step in the right direction, but is significantly flawed in that the borrower may not know about the AMC fees until they sit at the closing table and it's too late to do anything about it. Since AMCs are clearly here to stay, it is extremely important that the public be informed about the role the AMC will play in their mortgage finance efforts. Third, AMCs should have zero input as to what "customary and reasonable" fees are. The very concept of the AMC is based on bulk ordering and client volume, so the fees they have been paying appraisers cannot be free market. Customary and reasonable fees should be based on what the appraiser has historically been paid by lenders with no AMC involvement and with no volume discounts. The smokescreen created by invested parties that we need to postpone the final verdict on "customary and reasonable" fees because it is too difficult and time consuming to do quickly is frankly ridiculous considering the technologically advanced profession we are discussing. Appraisers are forced to buy conversion software to allow for automated underwriting, and pay for AI uploads, and provide direct to website uploads of appraisal reports. We can certainly fill out a fee survey and provide supporting documentation for fee statements in a matter of minutes. It should be a simple matter to create a federal website with a listing of all the most common appraisal report forms. Each appraiser can log on to the website using his or her license number to determine eligibility and State to determine the area to which fee average should be applied. Once the fees for each license number have been entered, no additional entries can be made by that license number. Random requests for fee verification can be made if some appraisers report fees that are way out of line with the others in their state. Allowing the AMCs, or large lenders who have interests in the AMCs, to determine what customary and reasonable fees are is a pointless exercise. It

is paramount that we protect the integrity of the definition of "customary and reasonable fees", or the whole Truth in Lending Act will be compromised beyond repair and the damage done by the HVCC will be continued. Fourth, the whole discussion of customary and reasonable fees is a waste of time unless there is language in the Act that prevents AMCs from skirting the system. If there is a range, the AMC will still assign the orders to the appraisers who are at the lowest end of the range. This will continue to motivate some appraisers who have less experience and professional knowledge to charge less in order to increase volume. The officially adopted customary and reasonable fees for each area should be published and available to every appraiser and every AMC. The AMC should assign the appraisals in a round-robin manner to every appraiser on their approved list, or else broadcast the order to all approved appraisers and assign it to whoever accepts the order first. The appraiser should then be able to charge whatever fee they want for the assignment, as long as it falls within the published customary and reasonable fees for the area. Turn-times should also not be dictated by the AMC. This creates rushed appraisal reports, shoddily written and full of errors. The common AMC requirement of 24 or 48-hour turn time after inspection violates the whole concept of appraiser independence. No two appraisers are alike, and the length of time it takes each appraiser to create a credible, supported report is different. Pressuring the appraiser to complete a report within a certain time frame after inspection affects the outcome of the report and therefore violated appraiser independence. The vastly better way to provide a quality report and still meet the lender's delivery date requirements is to simply post a due date for the order when it is offered. The appraiser should be allowed to determine how many days they will need after inspection to complete a quality report, and then schedule the appointment accordingly. Too many AMCs provide a stated due date, but then immediately move it up to 24 hours or 48 hours after inspection. This makes it very difficult for the appraiser to plan his/her time and make sure appointments are grouped in similar areas to save time and gas. The appraiser is then penalized for taking more than 48 hours after inspection to submit the report, even though it may still be on or before the originally agreed due date. In order to maintain and operate a business, appraisers must be allowed to make their own decisions about scheduling, travel, office, time, etc. Another AMC violation of appraiser independence is the recently adopted practice of dictating which appraiser within an office completes each order. This prevents appraisers from grouping together inspections in the same areas to save time and travel, and greatly increases the cost of business for the appraiser. As long as the appraiser completing the assignment is on the AMCs approved list of appraisers and is in good standing, the appraisal company should have the right to decide who can best complete the order in the most timely fashion and who within the office is actually most competent to complete that particular order. Finally, AMCs should be prevented from adding onerous report requirements above and beyond accepted USPAP, HUD, and Fannie Mae rules and regulations. This appears to be nothing more than an attempt at liability reduction. Additional listings, aerial maps, MLS printout scans, etc. add significantly to the time and cost the appraiser must absorb, but they do nothing to make the report more credible or reliable. A good appraiser will provide a good report. All the add-ons in the world will not make a bad appraisal any better. If the AMC or the lender wants these additional items, they should be required to pay an additional fee for them. Any survey of "customary and reasonable" fees should be for customary and reasonable reporting requirements. Thus far, I have seen no fee surveys that actually specify what the fee quoted actually reflects. A standard URAR with three closed comps and a 1004MC should have a different fee than a URAR with

four closed comps, two active or pending listings, an aerial map, and scanned lists of all MLS sales data. The second version will take the appraiser nearly twice as long, so the client should expect to pay more for it. AMCs should be required to make full disclosure of what additional items will be required of the appraiser before luring the appraiser into agreeing to complete an order for a set fee. The days of the same basic quote for all 1004 appraisal reports are long gone. We either need uniformity of requirements or flexibility in fees. The fee surveys should be set up in such a way that the user understands a 1004 fee quote is for a standard 1004 that meets Fannie Mae and USPAP requirements. There should be separate areas of the fee survey for appraisers to quote the fee for each additional comparable, map attachment, MLS data scan, etc. The lender can then pick and choose what add-ons they actually need and are willing to pay for, and which are just busy work that makes the report longer. Appraisers spend thousands of hours and dollars on training, education, licensure, etc. to be able to do our jobs, yet the lenders, AMCs, and underwriters who have little or no knowledge about the actual appraisal practice have been allowed to dictate and control the entire appraisal process from start to finish in the last couple of years. The result is the disaster we have today, and there will be no housing market recovery until we fix this mess. It is easy to see how much influence and control is exerted on politicians, and yes, the Fed by a few large banks. We have seen what happens when the rules are set up in favor of Bank of America, Wells Fargo, JP Morgan Chase, and Citi. Americans are finally emerging from their housing appreciation, equity-line spending induced frenzy to see what has happened to their lives and their life savings. The Truth in Lending Act may be the last chance to salvage any confidence and trust Americans still have in the Fed, the government, and the banking/mortgage system. If we do not turn things around quickly, there will be no mortgage market and no economy left to salvage. Please consider very seriously the comments of the individual appraisers who take the time to write. Do not let the lobby money and the political pressure drown out our voices again like they did with the HVCC. The country simply cannot afford a repeat performance of that. Thank you.