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Comments:

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As a working Certified Residential Appraiser I believe it is important for appraisers to receive compensation in line with the valuable service they provide for lenders. That is a fee far higher than what is currently being paid. My fees have not increased, and most appraiser's fees have decreased, over the past 5 years. My fee for a local 1004 is \$375. Much of the work I do is out of town and I charge travel fees, typically bringing an out of town fee to \$450. In the meantime the 1004MC was introduced and appraisers all intended to charge an additional \$50 for adding that task to the assignment. Then the bottom fell out of the real estate market so demand evaporated. There was no way to charge this reasonable fee for this additional service. Later, underwriting standards became more stringent and it became necessary to include active listings in every report. Again, more work but no opportunity to increase fees. More work on every report and fewer orders coming through the doors means that I work just as long and hard while making less than half of what I did two years ago. That is no way to provide incentives for quality work. Few people are talking in these terms, but they are reasonable all the same. Appraiser compensation should be equivalent to the cost of Title insurance. To be sure Title gets paid on a percentage of value and the point of appraisals is to have a fee that is not contingent on value. But that only means that the baseline fee for an appraisal needs to be set at the median home value in any given market. Appraisers provide a service that is equally as valuable as title insurance. Appraising requires a similar level of expertise and a greater degree of report writing. By providing an estimate of value, an appraiser for all intents and purposes is writing an insurance policy on value to the lender. Title only certifies that there aren't any liens or identifies those that are on record. That's it - they don't guarantee that a property is correctly zoned. By providing that service the appraiser has already done as much for the lender as the title company because if it's not legal, it's encumbered as much or more than any recorded lien. Title

specifically excuses itself from consideration of government action even though police powers are significant in all real estate transactions. And yet appraisers are expected to be zoning experts in multiple jurisdictions. Title doesn't deal with flood zones - appraisers do. Title doesn't deal with census tracts - appraisers do. Title doesn't deal with utilities - appraisers do. The list of valuable information that appraisers provide to lenders could go on and on and all of this is beyond the core task of providing a well reasoned and supported estimate of value. Appraisers must provide both objective and subjective analysis, a combination of skills that requires a special talent that deserves meaningful compensation. Setting customer and reasonable fees based upon

the fees charged during a real estate depression is a recipe for ongoing depression in the appraisal profession. While I honestly believe that appraisal fees should be equivalent to the fee for a title policy of the median priced home in any given market, at the very least, the floor of customary and reasonable fees should be the fees charged before the advent of the AMC with additional compensation factored for the additional work required in the current lending climate. Using that guideline, add \$50 for the 1004MC, \$50 for the listings and a typical local appraisal should cost \$475. Maybe a little bit should be added in for inflation too. My overall point is that this fee discussion is far too narrow and not based upon the multitude of factors that have coalesced to make appraisal fees woefully low.