

From: Robert I. Johnson, Jr.  
Subject: Regulation Z -- Truth in Lending

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Comments:

I am only addressing a small part of a big problem. I am a certified real estate appraiser and Broker. I've been in the business for over 25 years. Your solution does not resolve the problems created by HVCC. The solution is to get rid of the Management companies. They are truly not needed, and most are affiliated in some way with Banks. (B of A/Landsafe Wells Fargo/Rels) HVCC was a mistake. When I started in the business, Management companies use to call me all the time. We well give you business for a fee. I would tell them to go fly a kite. I'll generated my own business at a fair fee. Most of my business came from referral, or marketing. Repeat business came not because I hit the right number, it came because I did a quality job, and I stand behind my work. Then came HVCC it almost put me out of business. The government gave the thugs a free hand in running my company. I barely make enough to pay all the required fee's and for the continued education. Yet I had to pay out to management companies. They tell me not to included invoices so they can charge the borrower a higher fee. I know because sometimes, I see copies of the HUD 1. Maybe we should look at HUD 1's over the past year to determine a fair fee to the appraiser. The recommended changes are not going to stop the banks from requiring mortgage companies to uses their management companies. There have been so many changes in the guidelines, that what we were paid in the past is not reasonable for the present. We are professionals - would a lawyer charge their client if the client asked for an additional form, or pictures to support their case (I think yes). How about those extra comparables, and all the new instruction (guidelines) dictated by the banks. Every time a new management company calls to have me added to their panel, I hear about ID#'s and Codes, that may change quarterly, invoice policy, and long payment cycles and new software I need to use to send my report. All this is added time to my day. My cash flow has been negatively affected, The Management Companies tell me to sign a contract with their fee structure and that I can't discuss this with anyone ( not to worry I'm too embarrassed to tell people what I get paid).

Reasonable and customary fees are not going to come from looking at the past. Look at what borrowers are willing to pay. (HUD 1's). Take management companies out of the equation since they work for the benefit of the lender; require that the lender pay them direct, and that any money collected for the appraisal go to the appraiser.

Changes in the market cycle are not going to stabilize until the appraisal guidelines, are controlled by someone other than the greedy banks. Take a good look at history. As long as bank write the guidelines and dictate the values of homes, our economy well suffer from their greed.

The Appraisal Institute does not represent my views, they helped formulate the HVCC and when 30,000 appraiser protested before it became law, they just.

The definition of market value does not represent the views of the majority of home owners. I would not sell my home for less than what it would cost to build its replacement. The definition of market value does not take into consideration the views of the majority of today's homeowners. It only benefits the banks, because absent of an arms-length-transaction, their guidelines

require the use of REO's and Short Sales.

The insurance industry is have a field day at the expense of the American home owner. They are indicated it will cost them more to replace a home than its current value, based on these REO and Short Sales, and then using a secred formula to determine the current cost, and keep their rates high.

Banks are not being very helpful at keeping people in their homes. So let's stop helping the banks, and set up direct funding to homeowners trying to stay in their homes. Pay the banks 70% of the first loan amount. Partner with the homeowner 50% of current first mortgage payment. All other leans go away. Hold the partnership for 5 to 10 years, sell or have the homeowner refinance if they would like to keep the home.

Thank You

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