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Comments:

I think this is a good start, however I do have a suggestion that would alleviate most of the coercion and what I feel as the main problem to the valuation issues in this industry (as well as many thousands of other appraisers feel the same way, and I can a list of the names): Mortgage Brokers and Bankers alike, both employ the "comp check" scam to apply pressure to inflate values without ever having to ask for a higher value. At this point in time, a broker or banker can go through a list of Real Estate Appraisers and call them one by one asking for a "comp check" and the one with the highest numbers get the appraisal order. This of course can make an appraiser feel pressured to make the sales pulled higher than what is normal for the neighborhood, in order to get the work from the Broker/Banker. This can also make the appraiser feel pressured during the appraisal to come in with a higher value. Another problem with "comp checks" is that after the appraisal is completed the "broker/banker" has a Coercion tool (the comp check) to come back and ask the appraiser to come in with a higher value because the "comp check" was higher before the appraisal was ordered. Regulation Z - Truth in Lending [R-1305] is not going to stop the Coercion in the appraisal industry, because Brokers/Bankers employ this "comp check" game and regardless will get away with putting appraisers into a corner. There is no reason to order a "comp check" unless there is something funny

going on. Some Loan Officers use the excuse that they do not want to waste the borrowers money on an appraisal unless they know they are close to the value, however this is a poor excuse for putting borrowers in the hole by thousands, sometimes hundreds of thousands of dollars when they try to resell their home. Even though I do not provide "comp checks" because I ethically do not agree with it, some appraisers do. A majority of appraisers do provide "comp checks" because they are afraid if they do not, the Loan Officer will just call the next appraiser who will. And they would be correct in assuming so. Everytime I advise a caller/Loan Officer that I do not provide them, they do in fact state they are just going to call someone that does (even when they don't say so, I do not hear from them again). Appraisers are regulated when it comes to "comp checks". Appraisers are only allowed to pull ALL the sales, without filtering. The Loan Officer is allowed to provide the filtering in which to search for sales, however the Loan Officer many times still wants a value range from the appraiser before even viewing the property (or a promise to hit a certain number). Appraisers are not allowed to provide a range without going through the entire appraisal process, however many feel pressured to do so and provide it anyways. This range is often later used as Coercion when the value does not hit what value was needed for the loan. In my opinion, in order to gain "truth" in the lending industry, "comp checks" need to be abolished. "Comp checks" do not keep anyone in this industry honest and if included into this Act would improve this industry drastically. P.S. "Comp Checks" are a form of pulling sales, but can also be labeled as something else such as wanting the Appraisers professional opinion before the appraisal is ordered. The Ordering of the appraisal should not be based on the Appraisers opinion in any way, shape or form, before the order is sent to the Appraiser OR before an appointment is made with the home-owner! I think (and many thousands of other Appraisers) that this should be a law and would drastically help the housing crisis that this country is in. Aaron O. Thomas Tucson Appraisals Tucson, Arizona Certified Residential Real Estate Appraiser
