From: Michael Robertson

Subject: Regulation Z -- Truth in Lending

Comments:

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Proposal: Dodd-Frank Act- Regulation Y - Conformance Period for Entities Engaged in Prohibited Proprietary Trading or Private Equity Fund or Hedge Fund Activities
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Comments:
Regarding the question of "Customary & Reasonable Fees" for appraisers as described within this bill, I want to make clear that this rule should explicitly focus on Appraisal Management Companies. Do not restrict an appraiser from seeking true market value for his or her services. An appraiser with decades of experience and honed skills has more value to most clients than a freshly minted appraiser. Their fees should reflect this relative value.
That said, however, there should be a fee guideline that prevents an Appraisal Management Company from harvesting their profits from the appraiser's fee. AMCs control over 75% of the appraisal market in most regions of the US. They have taken control of the fee structure that had been in place in the open market and like an oligopoly altered the market to increase their own profit margins. This is both anti-competitive and a restraint of trade. And in the end consumers are harmed because lesser-skilled appraisers willing to accept the
lowest fees in the free market are producing the lowest quality. The focus on risk-management has been assigned to the vendor with the least incentive to address it. First, let appraisers determine what their fees should be. Let the lender shop for the best balance of quality v. price ratio. Rely on independent price surveys that source data directly from appraisers. Have HUD perform their own survey that can be used to measure the market. (It's what HUD should be doing anyway.) Second, Stop the oligopoly. Prevent the AMCs from masking appraiser fees behind their profits - duping consumers and lenders in this process. Thanks for listening. Always remember that you have the future of 1000's of hard-working citizens in your hands as well has the economic future of the mortgage industry at stake.