

From: Gilliland Appraisal, LLC, Paula Gilliland
Subject: Regulation Z -- Truth in Lending

Comments:

Hello,

I am a certified residential real estate appraiser practicing in Louisville, KY.

I have two comments regarding the above regulations that will replace HVCC.

As appraisers, we are subjected to reduced fees paid by Appraisal Management Companies (AMC) due to the implementation of the HVCC. HVCC requires lenders not to allow a loan officer to have direct contact with the appraiser. This is a good thing, it allows the appraiser to provide an independent opinion of value with no influence from the LO who stands to make a commission from the closing of a loan. Lenders have 2 choices as to how to complete their business in this new environment. Provide in house loan processing, putting a non compensated organization between the appraiser and the LO, or outsource these services to an AMC.

It has been my experience when an organization outsources a portion of their business to a third party, that organization absorbs that cost as they no longer are supporting that cost in house. In this case, the lenders are not absorbing that cost, it is being stripped from the appraiser's fee. In many cases, the appraisers are being paid 50%-60% of what they were paid when lenders were ordering appraisals directly. I'm not saying the consumer should pick up this additional cost, the appraiser needs to be paid what is considered customary/reasonable fee and the lender who is utilizing a third party for a service should pay for that service.

Now, what is considered reasonable and customary. This new legislation states AMC's and lenders must pay appraisers what is considered "reasonable and customary fees". The ONLY published fee schedule is from VA. It has reasonable and customary fees that our veterans pay and it covers the all 50 states. It only makes sense this schedule be adopted as part of this legislation to make sure appraisers are fairly compensated.

TAVMA, who represents AMC's is fighting this approach to make sure the AMC's profits continue to come from the appraiser's pocket. I have watched many talented professional appraiser's leave the business as they can no longer make a decent living. Appraiser's are key to helping the country get out of this miserable real estate mess we are in. We are the eyes and ears of the real estate/mortgage industry. Please help us continue to provide the invaluable services we are trained to provide.

Thank You,

Paula Gilliland
Gilliland Appraisal, LLC