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Comments:

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I am writing concerning Regulation Z; Docket No. R-1394; RIN AD-7100-56. Since HVCC has passed, the following has occurred: Local Appraisers have been driven out of business; Consumer pay higher appraisal costs; Appraisers that remain in business have seen a large portion of their fees taken by appraisal management companies; Appraisers are now more dependent, not less dependent, on banks, because banks are now own portions of Appraisal management companies; Loan Originators are less able to perform their mandated responsibility of providing accurate and timely information to consumers. Originators are left completely in the dark regarding the most important element of the loan transaction. Originators are unable to discuss or resolve material inaccuracies with the appraiser. The quality of appraisals has declined sharply. Appraisers are selected not for their level of experience, nor for their proximity to the subject market's neighborhood. Rather, they are chosen based on their willingness to work the cheapest. Their willingness to work cheap is not passed along to the consumer as a lower fee, but rather, absorbed by the Appraisal Management Company as additional profit. The Financial Reform Act was supposed to address the problems above by sunseting HVCC, but as Fannie Mae and Freddie Mac have publicly stated they will continue to maintain the core provision of HVCC. In short, HVCC has only lost it's name, but it still functions exactly the same as when it was originally introduced. In particular, appraisal portability, mandated in the Frank-Dodd Act, has been completely ignored. Speaking as an professional with over 20 years in the industry, I predicted everything that has come to pass since HVCC: the higher costs, the inferior quality, the move by big banks to hijack the appraisal industry and turn it into another fee engine. Today, appraisers are more dependent, not less. Consumers have lost billions of dollars worth of real estate equity because their well-maintained homes are being compared to vacant investment foreclosures and short sales. Builders and realtors are on the verge of

bankruptcy. Meanwhile giant banks are making more money from consumers, by exploiting a misguided policy. If the aim is for true appraiser independence, I suggest that the laws safeguard the appraiser's right to earn a living in a free market. I suggest very strict professional requirements for appraisers, but in return, true and free independence for appraisers to earn a living. The appraiser should be permitted to take an order from a borrower, a broker, a bank, an attorney, or a realtor, for any reason. And they should be permitted to talk to whomever they please, for whatever reason, insofar as it relates to the accuracy and timely delivery of their services. It is time to stop this madness before the entire housing industry is destroyed.