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Subject: Regulation Z -- Truth in Lending

Comments:

Date: Dec 13, 2010

Proposal: Regulation Z - Truth In Lending Act

Document ID: R-1394

Document Version: 1

Release Date: 10/18/2010

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Comments:

Largely because of HVCC, Appraisal Management Companies, aka AMC's, have dramatically captured a large majority of appraisal orders for lending purposes. Many of these AMC's are owned by banks of which there is a definite conflict of interest. Due to the economy and less demand for appraisals, a large number of appraisers starving for work. AMC's have capitalized on this fact and pushed appraiser fees down to absurd low levels yet charge the consumer full rates. I had my own home appraised for a refinance. The appraiser who was contracted by a company called RELS, an AMC owned by Wells Fargo, was getting paid \$150 out of the \$350 I paid for the appraisal. Appraisal fees should be higher due to the extremely complex environment and the increase in time to complete a proper appraisal. This is because appraisal fees are based on the time it takes to complete the assignment. Myself like many other veteran appraisers have left the lending side of valuating real estate because of ridicule

fees and unrealistic completion times. The current practice by AMC's is putting the consumer at risk by attracting inexperienced appraisers and/or appraisers who sacrifice quality and accuracy for volume and lower fees. These improper valuations are keeping loans from being funded and/or giving incorrect values on properties secured by loans. The activity is creating a whole new problem and damaging the efforts to stabilize the economy. My advice to the Federal Reserve Board is to work closely with the states and their own appraisal regulatory agency and appraisal organization to obtain information from the appraisers in the field as to the AMC conduct. Their behavior is nothing short of price fixing and restraint of trade. Because of the fact the appraisal industry by and large is not represented by a strong lobby, the banks, title companies and AMC's have monopolized the appraisal industry. By not having the third unbiased, objective and accurate reporting from a qualified appraisal expert, the parties involved in a transaction as well as the GSE who

is sold the loan is at risk.