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The following statements are intended for "customary and reasonable fees" portion of the Dodd-Frank Bill which is set to be enacted on 4/1/11. There are many sides in this battle over "customary and reasonable fees". Appraisers wanting to be paid more, AMCs wanting to not lose profit, lenders wanting to not lose borrowers, and consumers who could unknowingly be set to pay higher fees for their appraisal. Determining what is "customary and reasonable" especially for someone who is not familiar with our industry can be very difficult. Let me first say for over 90% of the appraisers VA fees are NOT customary. These are higher fees(\$450-\$600), set for a specific purpose, given to a very small percentage of the US appraisers. Appraisers asking for these fees will intentionally or unintentionally raise the consumer's cost. I am sure this bill is not intended to punish the consumer who may be in need of a refinance or purchase. Fees in this price range would result in a family who is already in financial strain to be unable to afford the costs of a refinance. Fees from AMCs vary greatly by AMC and by market. There are approximately 10 AMC companies that control close to 80% of all AMC volume. While another 150+ AMCs struggle to fight over the remaining 20%. Unfortunately the 10 large AMC are so large that they can force fees and dictate volume. In some urban areas there are appraisers completing 1004 assignments for these AMCs for \$125-\$175 each with turn times of 24 hours after inspection. They do this in exchange for volume or to simply out bid their competitor. In urban markets with a high saturation of appraisers, competition is fierce. Some appraisers provide a low fee quote simply to receive any orders from these large AMCs. The AMC then charges approximately \$425 for the 1004 and profits the rest. Although this may appear as if the AMC is gouging, they are not. The AMC is engaging in free enterprise, a strong cornerstone of this great country. As mentioned above part of the problem is that qualified appraisers are accepting these terms. If appraisers would simply say No to these terms then these massive AMCs would be forced to accept what the appraisers do agree to. For the smaller AMCs, the appraiser's fees tend to be higher but the small AMC must use various

competitive advantages to obtain the work they have fought so hard to get. One of those advantages is offering a nationwide "Set fee" that is better than its competition. In this instance a set fee of \$350 appears to be the average and they are paying appraisers approximately \$200-300 for urban and suburban assignments. This does not appear unreasonable as they do the marketing, supply the appraiser work, and manage the appraisals for the lender. Unlike the larger AMC's none of the small AMC's are getting rich. They are employing a small staff, providing a service to loan correspondents, credit unions, and banks and keeping thousands of people gainfully employed. A minimum/maximum fee by state or even county could be a very helpful tool. This could stop the large AMC's from having agreements with appraisers for fees that just seem unimaginable by normal standards. For example, on the east coast and major metropolitan areas where almost all data is readily available through MLS services, a fee range for a conventional appraisal of \$200-\$400 would appear very reasonable. This still gives appraisers and AMC's the ability to negotiate and not raise fees for consumers to the point they cannot afford to purchase an appraisal. For rural areas where travel is a must and data is not so accessible \$300-\$500 may be more of a negotiating range. Know that it is unreasonable to think that a 10,000 sq ft home could fit into these standards and an exclusion must be made for special properties. If a property is unique and requires significantly more work on an appraisal than others, then the appraiser must supply their client why it is unique and can ask for a fee increase based on the property. Ultimately our goals should all be the same. We should be able to make a good living in our areas of expertise and be fair to all parties involved. AMC's and appraisers alike should also work to protect our industry from practices by companies or individuals who through maliciousness, carelessness, or greed attempt to ruin our foundation.