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Subject: Regulation Z -- Truth in Lending

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Comments:

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I am a 18-year experienced residential real estate appraiser based in Orange County, California. PLEASE PLEASE make sure the customary and reasonable fees provision for paying appraisers (Page 2215) is upheld and strongly enforced. Here is why: I am a free-market capitalist and thus am adverse to things like regulated fees. HOWEVER, for the past year+ our industry has ceased to exist as a free market and for that reason our fees need to be regulated and a customary/reasonable fee requirement needs to be implemented and strongly enforced. In the past, I had close relationships with various lenders, credit unions, mortgage brokers and other loan originators. Most of them paid me similar amounts per appraisal, but occasionally I would give a volume or other discount. The free market worked fine. But now virtually all lender appraisals are controlled by fewer entities (such as appraisal management companies) and personal business relationships are virtually non-existent. We are a number and these controlled appraisals are offered out at varying fees, mostly below market rates. Since we appraisers are now just numbers, we do not know if/when we will be getting more orders (as we would with business relationship clients), so we are forced in a sense to accept business when it is offered. And because a few large appraisal management companies control a large portion of the appraisals to be offered, they can and do offer cut-rate fees. And because they control so much of the appraisal volume, appraisers are generally forced to accept those fees or do without that work. Understand? Personally, I am fortunate in that more than half of my current business comes from smaller lenders whereby I still am able to have somewhat of a business/client relationship and whereby they pay at or near customary/reasonable fees. But the balance of my business comes from appraisal management companies that take a large portion of my fee for next to no reason and their involvement only complicates the process. Pay an appraiser \$200-\$300 and charge the borrower \$500, is that right?!? Instead, pay an appraiser the \$450 and get great work and everybody wins. So, in summary, my request is to either return our business to a free market where I can compete and be rewarded

for my excellent appraisal work and service (able to accept work directly from loan originators) or to implement and strongly enforce a regulated customary and reasonable fee structure (right now VA fees are among the most reasonable, but they need to increase soon based on increasing appraisal requirements). Thank you.