

From: Carey L Greenaway
Subject: Regulation Z -- Truth in Lending

Comments:

Date: Dec 21, 2010

Proposal: Regulation Z - Truth In Lending Act
Document ID: R-1394
Document Version: 1
Release Date: 10/18/2010
Name: Carey L Greenaway
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

12/21/2010 RE: Reasonable and Customary Fees for Appraisers (Portion of Title XIV of the Dodd-Frank Bill). Chairman Ben S. Bernanke Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue Northwest Washington, DC 20551 Dear Chairman Bernanke, I've been a real estate appraiser for over 11 years, and involved with the appraisal business for over 14 years. Before the implementation of HVCC and the introduction of AMC's (Appraisal Management Companies) all appraisers, banks, mortgage lenders, and realtors knew and expected that the fees for a conventional USPAP compliant appraisal report would run between \$375 to \$425. Once the AMC's became the main providers of HVCC compliant reports, these fees were then drastically reduced, sometimes being offered as low as \$200.00, but more often would range from \$225 to \$275. If the assignment happened to be a complex property, the fee would then be shopped around for the lowest bidder. AMC's also place additional pressure on all appraisers as they require most reports back in 48 hours or less. In order to meet these AMC's demands of both a quick turn-around-time, as well as drastically reduced fees, this causes many of my associates to work many 12 to 16 hour days. I also perform Appraisal Reviews, and it is obvious to those of us that do, that these low cost appraisals, are often performed by inexperienced appraisers who often travel from outlying areas and is often outside their local market knowledge. Not only is this usually a violation of USPAP, without their understanding of the specific real estate market this very often causes the report to be of a very poor quality, or even worse, no a creditable report. It stands to reason that these high pressure, low pay conditions will keep good appraisers in the pool. These poor quality reports are also a factor in the appraisal industries contribution to the mortgage financial crisis. The main benefit of the HVCC is the separation of the lender from the appraiser for the needed independence, which I understand was the initial purpose of the law. In conclusion, the appraisers fees should be brought back in line to the customary fees before the takeover by the AMC's,

and AMC's management fee should be made separated in all documentation from the appraisal report fee, as they are two totally separate items. This in turn would help to provide a high quality appraisal reports to the lender, the homeowner, and put sanity back in the system. Sincerely, Carey Greenaway
California Certified Real Estate Appraiser