

From: Atlantic Approved Appraisers Corp., Brent C. Shipman  
Subject: Regulation Z -- Truth in Lending

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Comments:

To whom it may concern. Good morning, I would like to make a few comments. I am a certified residential appraiser in Brevard County, FL that owns my own small appraisal business. When I started my business in 2004 after being in the industry for six years with other companies, I made a comfortable, although be it not extravagant living by any means, but comfortable living and thought I would be running an appraisal company until I was old and gray. I used to have trainee appraisers working for me and I really enjoyed teaching them the good and right way to do things in my profession. I now have no more trainees and work by myself out of my home. We are really hoping that the new legislation will make a difference in my profession by mid next year.

I would like to make some comments on the new law and interim rule. I applaud the effort that the Fed is putting forth to help the good side of the appraisal industry and in turn curtail fraud in the industry and other related industries, it is about time. The Dodd Frank bill and interim rule is a great step forward in my opinion after analysis and I hope that the good things I see in it for our industry will truly come to fruition in April 2011. I also hope that the new rules will actually be abided by and regulated and backed up with true consequences for those who still try to prey on appraisers whether it be for a low fee and extremely fast turnaround time or for value pressure or any other form of pressure. I am skeptical that the new rules will be abided by AMC's or Lenders and would like more clarification on what entity will enforce them and how they will be enforced and backed with?

I have seen my time involved per appraisal go up by on average 4-8 hours over the last four years and for my additional diligence and time, I have seen my appraisal fees cut by over 30%. The cut has been going to AMC's, not a savings to the borrower just my fee sent to a company that has someone pushing emails somewhere. Also the turnaround time expected increased from 48 hours to 24 hours or less, which is of course a type of pressure. I have AMC's telling me that if I do not make the 24 hour or less times that I will basically be locked out of the system and shut out of receiving work even though I may be the most qualified appraiser to receive the assignment in my area at that time, this is another form of pressure. The time limits are not value pressure but they are pressure none the less, which if you are not extremely diligent as I am will lead many appraisers to put out less than accurate or flawed appraisals.

Most of the following is addressed I believe in the the rule but these are my feelings and opinions about the process and things that should be changed to help the industry to promote fraud prevention and pressure. The answer to the situation is mostly addressed in the new rule with the implementation of reasonable and customary fees. If reasonable fees are paid to the appraisers, this will allow the appraiser to take a few less assignments in a certain amount of time and complete them with more diligence. Yet they will still make enough compensation to justify being in the business. I feel that the reasonable and customary fees should be based on the VA fee schedule for appraisals in that State. The VA fee schedule is a non biased or influenced schedule that has a history and track record and can easily be identified and used anywhere in the Country. All lenders, AMC's and any other organization that pays for an appraisal should have to abide by the fee schedule and should have to disclose to the borrower and the regulating Government agency on every loan settlement the amount that was paid to the appraiser. Similar to the HVCC guidelines it is imperative still that the lender or originating agencies loan staff or any other person that works for the side of the agency that is compensated from the loan should not be able to contact the appraiser directly. This has drastically cut down on pressure on the appraisers, and was the only thing the HVCC did right in my opinion. The lender or agency should have a separate unbiased department or use a qualified regulated AMC to handle the appraisal coordination and contact appraisers about appraisal questions, concerns or otherwise. The lenders or originating agency should pay the appraiser directly and all fees should be mandated by law to be paid within 30 days of the appraisal report being

submitted to the client. If they use an AMC it should be compensated separately at a different market rate for it's service.

If the before mentioneed is allowed to be implemented and will be enforced, I believe fraud will be drastically cut out of the industry and lending standards, and the lending outlook for the future would be greatly enhanced. Hopefully, one day again, appraisers will be able to have traditional offices and employess and comradery and feel like they really make a difference. When I started in the industry I had great pride when I told someone what my profession was and I felt that I helped keep the public trust. Over the past 6 years I have gone from feeling like a pawn in someone's game of shop the appraiser to a different pawn of the AMC shopping the appraiser, this has to stop.

I will make one more outlook opinion, that if the industry is not stabilized and reasonable fees and turnaround times are implemented, there will not be enough qualified appraisers left in business when the housing market, lending market and economy goes back in to a growth cycle and accelerates again. The appraisers that some how stuck it out and made it through, will be able to charge more than reasonable fees and pick and choose assignments and the lenders and lending industry will be grid locked and backed up and a different type of lending catastrophe will ensue.

This is how I feel. I hope this letter is able to shed some light on the plight of one appraiser that would really like to stay in business in FL. I know that I am not alone. I really hope and pray that the new rule and guidelines will make a difference. Thank you for your time.

Sincerely,

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