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December 27, 2010

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW.
Washington, DC 20551.

Re: 12 CFR Part 226, Truth in Lending, Interim Final Rule
Docket No. R-1394 and RIN No. AD-7100-56

Dear Ms. Johnson:

Following are comments that I would like to submit under the referenced Truth in Lending, Interim Final Rule.

*42(b) Definitions, 42(b)(1) "Covered Person"*

Creditors, mortgage brokers, appraisal management companies and real estate agents should be "covered persons" because they stand to gain from influencing the results of a property valuation. Anyone else who has a financial interest in the results of a valuation should be considered a covered person.

On the other hand those who would not gain from an appraisal should not be considered a "covered person". This includes those who work in the broader class of "settlement services" defined under RESPA.

*42(b)(3) "Valuation"*

The Interim Rule appropriately broadens the term "appraiser" to include those who provide valuation services. The current trend is for users of valuation services to only use licensed or certified appraisers when they are required to do so. Accordingly, I believe that this expansion of the definition under the Interim Rule meets the intended spirit of the Dodd–Frank Act.

Similarly, the required report of failure to comply with USPAP or ethical provisions should also not be limited to certified or licensed appraisers.

The Interim Rule is appropriately limited to certified or licensed appraisers in regard to payment of "customary and reasonable rates". The intent of the act was to protect the public interest by making certain that property valuations are properly performed. "Customary and reasonable fees" were included to assure that these would be reflective of the amount necessary to perform a proper valuation. If the requirement for "customary and reasonable fees" is expanded to individuals who are not trained to provide a proper valuation, the intent of the act is thwarted.

*42(c) Automated Valuation Models (AVMs)*

Automated valuation models should not be excluded from consideration. Such models are an increasingly important part of the valuation and lending process. They will become even more important under Dodd-Frank and should be covered under this rule.

*42(c)(2)(ii) Falsification or Alteration*

There are numerous instances of alterations that that do not affect the value assigned to the consumers dwelling and therefore should not be deemed material. For example, certain types of descriptive phrases in a report may not communicate the intent of the writer. In those instances clarification would not be deemed material.

To make any type of alteration a violation of "Appraiser Independence" would overwhelm government regulators of appraisal practice. Rather than enumerate specific types of alterations, the rule should merely say, "alterations that do not affect value are deemed immaterial".

Thank you very much for this opportunity to comment on this interim final rule.

Very truly yours.
Law Office of Dennis A. Scardilli, L.L.C.

Dennis A. Scardilli

Dennis A. Scardilli, Esq.
As Managing Member

Encl.