

From: R. Hamilton
Subject: Regulation Z -- Truth in Lending

Comments:

Date: Oct 27, 2010

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

Comments:

I would like to recommend that the "reasonable and customary fee" schedule be more clearly defined. In my opinion, it would be fair to make the reasonable and customary fee schedule be in line with the VA fee schedule for residential appraisals. I am a residential real estate appraiser in Ohio and want to express my concern about the impact that government regulation is having on small business owners like myself. Let me start by stating that I do support the need for reform and I do understand that there is a great need for it. My concern, however, is how it is playing out in the real world. The addition of appraisal management companies (AMC's) have increased the cost to consumers (those we are trying to protect) and have decreased the income of appraisers (those we are trying to protect). Just like with anything else, you get what you pay for. Some AMC's are asking appraisers to complete reports for 100-200 dollars, for which they were getting 300-400 for before the AMC's took over. Obviously, appraisers who employ multiple resources and rely on MLS systems and other data gathering tools, have expenses that cannot afford them to complete a quality report for 100-200 dollars. Secondly appraisers who are just trying to maintain the same level of income from years past, have to complete twice the amount of appraisals just to stay afloat. Naturally, quality suffers in this system. In my opinion, appraisers must be paid well to provide quality reports that lenders will base their lending decisions on. Just like any other profession, such as doctors, engineers, or lawyers, pay directly reflects service. The best appraisers cannot afford to make it financially in the AMC driven appraisal world, and are forced into other professions. I hope that this information is useful in future decisions relation to appraisers and how we are regulated. Thank you for your time and consideration.