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Comments:

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It has been with great happiness that most appraisers are looking forward to the changes proposed with the Dodd-Frank law. There appears to be a clear cut denial of "customary and reasonable" fee understanding by the AMC's and lenders which are now arguing the verbage difference between Customary and Reasonable vs Customary or Reasonable, semantics used to confuse the issue by AMC's and avoid paying appraisers standard market fees. They are in fact paying most appraisers 1970s fees for more work, less time allowed requiring a significant number of appraisers to work 10-12 hour days. Requiring calender day turn times not business days which is completely against most government turn time guidelines and a violation of USPAP which clearly states the appraiser is to determine the scope of work and time necessary to provide an accurate and supportable value opinion conclusion and report. All AMC contracts and orders violate USPAP at this time. Although they clearly want to deny doing this over the past 5 yrs and deny knowing what market rate fees are, it appears that the fees listed on the HUD statements which exceed most VA fee schedules clearly show they are charging borrowers an "appraisal fee" that is misleading/fruadulent and well in excess of the actual fee paid to the certified appraiser/appraisal firm. In my area VA standard non complex rates (as recommended by AI and FHA appraiser news letter)are 425.00 +50 for ea additional item with 5-7 days (business) turn time excluding holidays. Alamode survey 350.00 median rate for non complex standard 1004. Avg fee paid by AMC's in our area is between 175-245 for all assignments (complex and non complex). The borrowers in my area are being charged 450-550 for their appraisals per the borrowers for non complex appraisals. So not only are they misleading and over charging, they are charging fees above and beyond VA schedule (which they claim is too high)as well as keeping 1/3 to 1/2 the appraisers fee thus resulting in assignments that would in some cases work out to 7.50 hr before expenses. This can be easily verified by the Board (request 25 lender hud statements and the

AMC pay item for the appraisal). This is not a healthy business model or protecting the public interest. I have read some commentary provided in the responses and find that the appraisers appear to be depicting the situation most clearly and accurately. The appraisers concerns are valid and are not in any way "whining online" as some have stated. We are the only unbias party to these transactions and as such need to be above the influence and limitations put on us by AMC's. We are the only parties required to maintain standards and held liable to fines and license sanctions well beyond the underwriters, loan officers and AMCs. The main AMC reporting requirements which are adding requirements of unnecessary information and commentary -we have checked these items and they are not required by the lender/end user. The client is not to dictate to the appraiser what statements and commentary verbage should be reported or left out but the AMCs do this daily also a violation of uspap.
Reports are kicked back for QA requests as these management companies use auto review products and look for groupings of verbage-not actually reading the reports, therefore if the verbage the appraiser uses to discuss an issue doesnt match their preprogramed commentary the report is kicked for corrections most cases when no correction is needed further delaying the reporting to the client/end user. These AMC requirements are causing the reports to be excessive for summary reports and more confusing to the end user by requiring additional non relavent information or additional listings/comps that the appraiser would not have reported or utilized- grid reports for 12 months sales with statements as to why each sale not included the report over the past 12 months wasnt used- this is not a summary report nor required by appraisal standards. Then to assume because some of the information is available online an appraisal takes less time than previous appraisals is erroneous. It is a ploy by TAMVA and the AMCs to take control of the appraisal industry and run appraisers like employees at McDonalds pay rate with none of the benefits- health insurance, cost coverage, retirement and to keep from paying us rates that are above the 1970's fees that most lenders/amc's are trying to pay appraisers. They are better funded than appraiser groups as they are supported financially by the large banks and their statements are in fact falsehoods and erroneous which can easily be checked if you dig a day or two into the industry. In fact the reports are longer, the research requirements are just as complex if not more so, liability and cost are rising. In most cases reports and research take longer to accurately complete a quality appraisal. This is based on my own experience as well as discussing this issue with numerousappraisers across the country that have between 10-25 yrs appraisal experience. The implimentation of these issues and appraiser fee issue is of the utmost importance, polls suggests appraisers nationwide are considering starting a national union and striking if necessary as we have been pushed around these past years by unlicensed uneducated AMCs just to keep our doors open. Many appraisers losing their life long business, their homes, cars, etc to the profit of TAMVA's AMC's. As per AI recommendations the VA fee schedule for non complex assignments is the only schedule remotely accurate to the expense, time and liability each appraiser assumes to accurately complete their accepted assignment. Most appraisers wait 15+ yrs to get added on the VA schedule because their system is the most unbias and reasonable rate system nationwide.
I have seen numerous examples of reassignment when fee increase/correction requests is made (7 orders I personally had reassigned in 1 wk alone once a fee correction or fee increase was requested) for complex properties/assignments showing that the sole purposes of the AMC assignment process is the lowest fee ,not the most experienced or best quality rated appraiser. If in fact you have over 10 yrs appraisal experience, 7 yrs prior in banking/finance and have lived in your service market area over 40 yrs and upon initial research clearly understand that the assignment will take multiple days to complete due to

complexity, the assignment is placed on hold and prompty reassigned to another appraiser who will accept it with 24-48 hr turn and lower fee. Our service area is well over 25 miles and we are adequately able to service the areas as all my appraisers have lived in the service areas well over 40 yrs. (this is easily done correctly by an appraiser who has lived in the market an extended time period). Yet AMCs and lenders started after HVCC limiting some radius' to 10 miles which is rediculous and prohibitive to appraisal business model and licensure. The idea that the AMCs have not set fees is erroneous as they have clearly told appraisers we will send you work if you accept our fee schedule we will list you as primary/preferred for your area but we make no guarantee of a particular amount of work. The AMCs have also blacklisted or declined adding appraisers for absolutely no reason with no recourse for the appraiser to dispute the black list or addition decline (also a violation of laws already in place). If Dodd-Frank plans to require the lenders/AMCs turn in appraisers to their state agencies the underwriters, processors and loan officers should be required to take uspap courses biannually similar to appraisers as well as have a minimum trainee and fraud course under their belt as neither seem to have an understanding of appraisal laws/regs then within 12 months to further this; licenses should be obtained and held by all the above parties so that when they violate USPAP the appraisers have a way to report them for these violations and the licensee can be fined, suspended, revoked similarly to the appraisers licenses. Dodd Frank by allowing a mandatory reporting of licensed professional appraisers by uneducated individuals will further clog up the state appraisal boards causing undue financial hardship on each state. This was already seen when Citibank sent standard cover letters with appraisals on loans that went into default to each state stating the appraiser "may have violated a law or appraisal standards", as they dont understand the laws or standards and thus were asking the state boards for no other reason than a loan default to investigate the appraiser- this is a violation of most state reporting guidelines. Licenses should be required for underwriters, loan processors, loan officers as well as mtg brokers and associates and education should include at min. USPAP and ABI course work. As AMCs do not deter or manage their clients; appraisers all over the country receive emails and calls from borrowers, loan officers, underwriters asking us to follow up on work the AMC is supposed to be managing or fending off those requests to change value, also a violation. But alas appraisers have no way to report and the governing bodies have set up no state or federal penalty, review board to clearly enforce these violations leaving it to the banks/lenders/amc's to handle their own, seems a bit lacks in protecting the public. Initially after seeing the blatant attempts at "pushing values" by a significant number of mtg brokers I opened my firm and only contracted with lenders or their management agencies(at a time where they may have asked for 25.00 discount per file and produced enough appraisal work to keep my certified staff of up to 12 certified appraisers busy all month.) Now they request fees well below 50% with the only exception I have found being appraiser owned offices that broker out work nationally or lender direct work(which I lost 4 lenders during HVCC and had a cut in my income personally by over 10k per month). I had an AMC previously mentioned in someones email owned by a lender that I had over 5 yrs experience working direct as fee contractor for doing high risk loan appraisal reviews or 2nd opinion work tell me that my appraisal sample was bad because it didnt include sf adj for lot with 25 sf variable (all comps within .25 mile, all required no adjustments, all sold within 90 days and $500 of each other (basically a dream appraisal) and the second sample was considered bad because I didnt use condos in the subjects complex when the appraisal sample clearly stated per plans and specs and that the complex was not complete. that my subject would be the first closing three months out upon completion of the condo high rise. I of course got on the phone immediately, when I tried to explain my relationship with the lender, my experience, the errors in the reason for the decline of my approval to the list that there were no condo sales in the same complex because it was not yet built and that 25 sf lot variable does not warrant an adjustment they told me their approval appraisers are experienced and I was declined. This is a raquet, as they added the two certifieds with less experience that I personally trained to the approved list as well as the appraiser who trained me- I believe this is a clear example of the lack of a quality certified appraiser familiar with my market reviewing my appraisal samples-as it was clear the reports were not read properly. When this happens there is no way to dispute the commentary, lack of approval or black listing and you have just lost a long term client because HVCC was put in place and the AMCs have taken over. Approximately 6 months prior to HVCC all the national lenders either bought, merged with or started using AMCs which manage the orders significnatly through appraisalport which most appraisers where doing in the first place direct for the lenders. Thus AMCs save appraisers no time, no cost, no marketing cost and no order management we still do the same thing just multiple times over because they are in the middle and cause in most cases more conf. and delays than they assist. No extended time is needed for the fees until April 1, 2011 this is just another ploy to try to get appraisers to continue to work for slightly above min. wage or decline work which will eventually lead to them closing their doors. I ask that the first step in this process is a mandatory set scheduled (VA)as recommended by AI and that the fees be implemented Jan 1, 2011 while allowing AMC/lenders until April 1, 2011 to meet all other guidelines. This may keep a few appraisers from closing their doors, losing their homes/cars, while also stopping the skim off the top of millions of appraisal fees in just that 4 month period. Thank you for your time and consideration.