

From: Anonymous
Subject: Regulation Z -- Truth in Lending

Comments:

Docket No. R- 1394 and RIN No. AD-7100-56

According to the "Customary and Reasonable Fees" section it appears to be stating that a Customary fee are the fees currently being paid to the appraiser. This section also seems to state that the fee paid to the appraiser only has to be customary and not reasonable to keep a client from violating the rules. This part can be used by AMC's as a loophole to keep fees at a below standard rate. If this is true, the appraiser will continue receiving less than half the compensation for an assignment than he or she should. For this rule to accomplish its goal, anyone that orders and appraisal should be forced to pay not just a customary fee but, a customary and reasonable fee. Another thing that needs to be addressed in clear, cut and dry language (just like it is in the section explaining how appraisers should conduct themselves) is how a client (AMC, Mortgage Co., Bank, etc...) would be in violation of the Customary and Reasonable Fees section and what the penalties would be.

Another issue with AMC's is how they reassign orders when fee upgrades are requested. They should not be allowed to reassign orders because an appraiser calls after inspecting a property and request an upgraded fee due to additional unforeseen research required to complete the assignment. An appraiser is not permitted to research a property without inspecting it first, when it comes to 2055/1075 drivebys and 1025/1004/1073 fulls. Therefore after an appraiser inspects a property and begins their research if he or she realizes that the work will be more complicated than the typical appraisal, the appraiser should be allowed to call and get a fee increase to compensate for such additional work. Currently, according to the AMC's, if the appraiser does not request fee upgrades prior to the inspection they are not allowed to request one at all. To request such fee upgrade before the inspection would require the appraiser to violate USPAP. I have come across this almost every other week. LSI, Equifax Settlement Services, ISGN, Velocity, MIS, Landsafe, RELS and many more have been known to put appraisers a probation list for requesting fee upgrades after the inspection. There must be a penalty for clients that perform such unethical acts.

So far none of the appraisers in the SW Florida area are seeing fees, paid by AMC's, starting to change to customary and reasonable. It is still business as usual and if you ask for an upgraded fee, the AMC takes you off their list of approved appraisers. The appraisers will continue to be the slaves of the Real-Estate industry (since we are the only ones that actually get fined, suspended, revoked and/or serve jail time) until these issues are corrected.