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Comments:

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Proposal: Regulation Z - Truth In Lending Act
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Comments:

1. No lender should be allowed ownership, in any percentage, of any appraisal management company. If a lender wants the benefit of ownership of appraiser management, let them keep it "in house". Use of AMCs is tenuous enough, as the WAMU/eAppraiselt scandal has proven, without the added pressure lender ownership could have on AMC management. 2. All AMC appraisals ordered for Federally regulated institutions should be held accountable to the same Federal oversight and regulations that the lender's appraisal department would. AMCs are nothing more than an agent of the lender and subsequently should be held to the same standard. This is in addition to State regulation of AMCs to safeguard the process for non-FRT transactions. 3. Line 803 on the HUD-1 disclosure should only be the fee, if any, paid to a third-party appraiser, and not to the entity acting as an agent for the lender. Line 810 of the HUD-1 is for "Loan processing" which includes such items as ordering/managing the appraisal process. The AMC is for the lender's convenience and should not be included on Line 803 with the appraisal fee.