

From: William Lindsey Logan
Subject: Regulation Z -- Truth in Lending

Comments:

Federal Reserve officials,

As a 25-year veteran of real estate appraising, I applaud your attempts to improve appraiser independence. However, lenders and appraisal management companies have used the financial shakeup to lower appraisal fees to 1980s levels. Appraisal fees will remain low and small appraisal companies like mine will fold if the Dodd-Frank requirement to pay "reasonable and customary" appraisal fees is given no teeth.

I realize it is difficult and/or impractical to set exact appraisal fees but some standard must be set or the lenders and AMCs will not pay market rates on their own volition. Some have suggested the Veterans Administration appraisal fee schedule set the standard for reasonable fees. This is one fair possibility.

Without some "customary and reasonable" standard, the mortgage industry will use its power over individual appraisers to keep appraisal fees low. AMCs will continue to take part of the "reasonable" fee owed the appraiser to raise company profits.

I appreciate your hard work on these issues. Thanks for your consideration.

Sincerely,
William Lindsey Logan III