

From: Ross Raimond
Subject: Regulation Z -- Truth in Lending

Comments:

As we speak appraisal management companies are trying to deprive appraisers of the fee they deserve. I have been appraising nearly 25 years and I can tell you some of the insulting fees I have been offered (and refused) are less than a full appraisal in 1986. A full appraisal today has easily an hour or more work involved than in 1986 not to mention the additional liability. The introduction of appraisal management companies has done nothing but prove the law of unintended consequences by adding a layer to the process which protects no one and takes money from appraisers. The creation of the management companies was a well intentioned remedy for the problem of lenders punishing appraisers for independent thought. The solution unfortunately has been to create a middle man with no appraisal knowledge (and much to my chagrin located outside the United States) whose sole purpose is to absorb as much of the appraisal fee as possible. To this date it has been my experience that appraisal management companies are in business to front work for lenders with little attention to quality or the level of experience of the appraiser. It appears that the goal is to abstract the largest fee possible from the lender while giving the smallest fee an appraiser will accept. The trend is obviously on a downward path and I feel little recognition of experience, years of service or professional affiliations bear weight proportional to the volume of work being assigned.