

From: Hans G. Schaetzke II
Subject: Regulation Z -- Truth in Lending

Comments:

Dear Sirs at the Board of Governors of the Federal Reserve,

The following is a quick message about Reasonable and Customary fees required in the Dodd Frank legislation:

Lenders and their agents (AMC's) need to pay appraisers like professionals in order to sustain our profession. The language in the final rule that will be enforceable 04/01/2011 needs to be strong and specific. The statement that they "may" use third party sources to determine the reasonable fees apart from AMC price lists must be changed to say that they MUST use these surveys and exclude AMC fee schedules.

The pricing from the pre-HVCC era is not even valid much less the starvation wages from AMC's. The authors of this legislation have made expressions that they understand this but those who have been getting rich from siphoning our fees are raising strong objections to paying us. The production of appraisal reports is not big business it is a quality control function that must be done correctly and without greedy profit seeking or AMC's trying to please Wall Street!

The bottom line is that NEW appraisers MUST be trained by EXISTING appraisers and no one can afford to take-on trainees in this environment. Our numbers have dwindled from people exiting the business and there are no new recruits to take their place. Do we really want automated valuation models dictating our economy just to save big business from paying an honest professional an honest wage?

I have been an appraiser for 18 years and I am proud to say I have always been detail oriented but really the job is not what it used to be. There is no room for minimalist reports that dodge the issues and paste on a number. I never produced such reports so I am not familiar with how it is done but I know that no client I have come into contact with in the past 2 years would accept such a report in the Common Era. The idea that we are just filling out forms is no longer valid because appraisers are reviewing our reports at AMC's and lender offices more than ever. New forms like the 1004MC have been introduced to demonstrate support for market trend conclusions; all appraisals must have extensive interior photos of the subject property; supplemental requirements from lenders like verification that utilities are operable and including copies of tax records and MLS sheets are standard operating procedures; these are all examples of the specific content that has increased quality but also increased time and difficulty of producing appraisals.

The mixture of honesty, attention to detail, and diligent communication is hard to find but these are the qualities of a good appraiser. If you add to this list of necessary qualities "Savy Business sense and strong client negotiations" necessary to garner a living wage from the corporate users of appraisal reports and their strong organization of Appraisal Management Companies there will be no one around to do your appraisals.

Please don't let them starve us to extinction.

Hans G. Schaetzke II