

From: Chris Kirker
Subject: Regulation Z -- Truth in Lending

Comments:

Just wanted to provide some comments on the above Interim Final Rule. I believe that when it comes to customary and reasonable fees, the recently released Interim Final Rule (IFR) is not in the spirit of the Dodd-Frank legislation it is intended to implement. Congress, recognizing that quality reports are dependent on paying appraisers "fairly," wrote a customary and reasonable fee provision into Dodd-Frank, and going further, stipulated that any independent studies to determine such fees should specifically not take into consideration fees paid by appraisal management companies (AMCs), suggesting their acknowledgment that AMC fees are artificially low.

The IFR, provides two distinct presumptions of compliance, with respect to customary and reasonable fees under Dodd-Frank, saying that AMCs, lenders and others can meet the standard by satisfying either presumption, without having to meet both. The first presumption outlines "customary," which seems to mean "recent" fees paid to appraisers by AMCs- the status quo in other words. The second presumption, which outlines "reasonable," calls for the use of independent fee studies that specifically exclude fees paid by AMCs. So not only do the two presumptions of compliance seem to contradict each other but by making compliance, in effect, customary or reasonable, the spirit of Dodd-Frank seems to be missed, if the status quo is upheld. I would urge using the VA fee schedule as one possible benchmark for customary and reasonable fees and turn times. These fees are intended to be a reasonable fee that ensures a quality report and that borrowers do not pay a premium for the service. I think that it is a good balancing point that is fair to both parties.

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