

From: Bay Post
Subject: Regulation Z -- Truth in Lending

Comments:

I AM TRYING TO DETERMINE WHAT BUSINESS THE FEDERAL RESERVE BOARD HAS IN DETERMINING THE FEES THAT ARE ACCEPTABLE FOR AN APPRAISAL. HOW MANY RESERVE BOARD MEMBERS ARE APPRAISERS? WASN'T IT MR GREENSPAN AND THE RESERVE BOARD THAT GOT US INTO THIS MESS IN THE FIRST PLACE WITH RIDICULOUSLY LOW INTEREST RATES?

A GOOD APPRAISER SHOULD BE GIVEN THE TIME AND COMPENSATION TO ACHIEVE AN ACCURATE OPINION OF VALUE. OVER THE YEARS LENDERS AND AMC'S HAVE DRIVEN THE INDUSTRY TO COMPLETE WORK IN AN UNREASONABLE AMOUNT OF TIME AND WITH LESS COMPENSATION.

FOR A PURCHASE THAT IS PROBABLY THE BIGGEST IF NOT ONE OF THE BIGGEST OF ONES LIFE, ONE SHOULD WANT SOMEONE TO TAKE THE TIME TO DO THE JOB CORRECTLY AND BE COMPENSATED ACCORDINGLY. OFTEN THE REALTOR, THE BUYER AND THE LENDER DID NOT WANT A CORRECT OPINION OF VALUE BUT ONE THAT WOULD GET THEM ALL WHAT THEY WANTED. IT WAS UNPOPULAR TO PROVIDE AN ACCURATE VALUE IF IT DID NOT ACHIEVE THE RIGHT END RESULT. I BELIEVE THAT THE CORRECT VALUE TRUMPS ANYTHING THE PARTIES TO THE TRANSACTION WANT. IF YOU HAVE TO HAVE THE PROPERTY, THE SELLER WON'T NEGOTIATE THE PRICE AND YOU CAN'T AFFORD THE DIFFERENCE THAN YOU SHOULDN'T BE PURCHASING THE PROPERTY.

AS VALUES HAVE INCREASED REALTORS HAVE RECEIVED GREATER AND GREATER COMPENSATION, DUE IN PART TO THEIR LOBBYING, WHILE DOING THE SAME AMOUNT OF WORK. APPRAISERS HAVE HAD THEIR WORK INCREASE WHILE THEIR TURN AROUND TIME AND COMPENSATION DECREASE. THINK! IF YOU WERE WORKING HARDER FOR LESS WOULD YOU BE INCLINED TO PUT FORTH LESS EFFORT? WELL THAT IS THE CASE WITH MANY IN OUR INDUSTRY AND QUITE FRANKLY IT MAKES ME SICK. THE COST OF AN APPRAISAL WHETHER IT MIGHT COST \$350 OR \$1000 SHOULD BE WORTH IT TO ENABLE ONE TO MAKE AN INFORMED DECISION ON WHETHER IT IS WORTH INVESTING 10'S OR 100'S OF THOUSANDS OF DOLLARS.

THANK YOU