

From: All American Appraiser
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Comments:

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Dear Chairman Bernanke: I desperately urge you to amend presumption 1 for Customary and Reasonable Fees. It should be amended to include the same language as presumption 2, not to include fees paid by AMCs. That one omission has resulted in status quo. As of April 8, there has been no change in fees, behavior or attitude from the AMCs. Streetlinks told me that they are not using any survey or making any changes. I quote "No, we are not going there, it is business as usual." On April 5, I got an order for the tiny fee they offered. I asked for a fee increase, it was reassigned. Proteck asked for current fees the second week in March. I used the ALA Mode fee survey for my pricing. I have not seen an order from them since. Even after April 1, I asked one rep at Wells Fargo, what they were planning on using for a fee schedule, and she had no idea what I was talking about. She has been there many years, is a manager and just said "I have no idea what Dodd Frank is and I will have to ask around and get back to you." She didn't call me back. Every AMC is jumping thru the loophole from day one. Coestar is using their own fee survey, based on recent rates paid by them. Claiming it is based on volume discounts, yet they do not guarantee the amount of volume. Others have increased fees by as little as \$9 dollars. Some have even lowered the fees from where they were. The CEO of Corelogic gave an interview to Housing Wire, about fees and he seems to think very little would change. He even said that presumption one "SPECIFICALLY INCLUDES" fees paid by AMCs. I have attached portions of the interview below. HousingWire: On April 1, the new "customary and reasonable" appraiser fees under Dodd-Frank take effect. What are they and is the industry ready? DF: Presumption one requires that the amount of compensation is reasonable and related to recent rates for appraisal services performed in the geographic market of the property. Fees paid by AMCs are specifically included in the approach. Moreover, necessary fee adjustments are to be made for type of property, scope of work and fee-appraiser qualifications, etc. HW: How are your clients going to determine "customary

and reasonable? DF: Most clients appear to be selection presumption one and working in partnership with AMCs to support reasonableness of the fees. HW: How much will this increase the cost of appraisals and who will pay for the increase? DF: For lenders choosing presumption one and relying on AMC data and analysis, it is possible that there will be a minimal increase of cost to borrowers since AMC fee, assuming no anti-competitive activity, are currently the customary and reasonable fees. For lenders choosing presumption two or utilizing a variation of a "cost-plus" model, it is probable that the to the borrower will increase. The language of "working in partnership with AMCs to support reasonableness of the fees", is particularly disturbing. It sounds to me like collusion and attempting to price fix. In my opinion, it also acknowledges that they are aware they are not reasonable fees. They may be recent, but if it is necessary to work together to make them reasonable, that clearly suggest they are aware the fees are currently unreasonable, but are trying to fit a square peg in a round hole. Please, even if you need to take months or years to publish the final rules, please give a clarification on this one item. Without the line "not to include fees paid by AMCs" the unscrupulous, money stealing, middlemen have decided it is business as usual. The original law, signed by the President, specifically intended to correct the problem by excluding AMCs from determining what is customary and reasonable. And for good reason I might add. I believe that presumption one was intended to allow for the market place to be the primary determiner of fees. However, Understand that since AMCs have dominated and controlled fees paid to appraisers for 24 months, the concept of recent rates paid, without specifically saying, not to include AMC fees, means business as usual. That is exactly what is happening. The AMCs are laughing at the IFR. The AMCs also have no fear of the starving appraiser. They have left us bleeding so bad, who can afford to hire an attorney and fight a lawsuit Against them? These are huge banks with billions of dollars and hundreds of attorneys to interpret presumption one in court that their clients are in compliance with the law, because the rates are recent. It will take years for the market itself, to fix this problem via court ruling, fines and law suites. Meanwhile the decimation of the appraisal industry will continue. You can avoid all that with one sentence. Please help the 109,000+ appraisers in the country, by simply repeating the same works used in the original law and in presumption 2 in the language of presumption 1. I applaud your efforts with the greatest esteem, but despertely ask for you to add one more sentence that will change the profession and produce the desired result of the laws intention. Please Help !!!!