

From: AVR Appraisals, LLC, Valerie R. Lanier
Subject: Regulation Z -- Truth in Lending

Comments:

To Whom It May Concern:

I'm an individual trying to make a living doing what I enjoy doing - appraising residential real estate. I'm not trying to get rich; just trying to pay my bills, with a little left over for a vacation every now & then, & be able to put some money aside for retirement. Prior to HVCC a typical fee for an appraisal was \$350-\$375. Suddenly even though HVCC did not require the use of an AMC for the order of appraisals, most every lender decided to go with AMCs (even if the AMC was owned by its own Lender). From what I understand, AMCs now generate about 80% of all appraisal requests for mortgage loans. Now appraisal fees have dropped to \$225-\$250 (unless you were lucky enough to already have a client who decided to separate their loan processing and appraisal ordering departments instead of hiring an AMC). Supposedly the Dodd-Frank legislation requires lenders to make sure that AMCs pay "customary and reasonable" fees that are not determined by an AMC. So who is the enforcer with this? Who do I call to complain that this legislation is not being adhered to? When I get a request to do an appraisal for \$250 & I counter with a "customary & reasonable" fee of \$350, do I get the job? No. I get the response that "our client" won't pay that fee (client = lender and in most cases is the owner of the AMC). When I get a telephone call for an appraisal request, the question asked is "what is your turn time & your fee?", not "what is your experience in doing appraisals in this area?" or "how many years experience do you have in doing appraisal work?". Many people, appraisers included, will say "if you don't like AMC fees, don't work for AMCs." When 80% of an industry is controlled by AMCs it's difficult for the majority of appraisers not to work for AMCs. There are many blogs out there that have said what I've just said much more eloquently and/or cohesively and for that reason I tend to not write to anyone about this situation. However, at this point I believe that it is more important that regulators know that this is a big problem for many appraisers and I've therefore decided to add my voice as well. Please help find a way to enforce the intent of the Dodd-Frank legislation about customary and reasonable fees for appraisers.

Sincerely,

Valerie R. Lanier
AVR Appraisals, LLC