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Comments:

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While I wholeheartedly agree with the separation of loan production staff from the appraisal process and I see the need for an unbiased third party to act as a go-between (Appraisal Management Companies) to maintain appraiser independence, I urge you to end the practice of the AMCs taking their fee directly out of the appraisal fee. This system has resulted in AMCs simply seeking out the cheapest appraisers so that profit margins are as high as possible. Cheap fees mean shoddy work as desperate appraisers try to create a living wage by increasing production to levels that do not allow for adequate quality. Public trust is being undermined, lenders and borrowers are basing their loans on unreliable appraisals and the appraisal profession is being dismantled and turned into a mere short-order assembly line. The Interim Rules as written create a huge loophole in the "Customary and Reasonable Fee" rule by stating that compliance is presumed if the fee paid is related to recent rates paid, meaning that it's business as usual for AMCs who will simply base their fees on what they've already been paying. I urge you to return to the sole requirement that appraisal rates be determined by third-party information based on fees paid outside of AMC transactions. When the AMCs no longer receive a monetary reward for seeking high-volume, low-fee appraisers, then the focus can return to quality collateral valuation instead of mere profit maximization. Thank you for your consideration.