

From: Advance Appraisal Partners, LLC, Keith Baldwin  
Subject: Regulation Z -- Truth in Lending

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Comments:

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Comments:

I am a residential real estate appraiser and the chief reviewer of an appraisal business with roughly a dozen independent contractors. Please consider the urgency to the Dodd-Frank requirement that AMCs pay "customary and reasonable fees" and that it be implemented, without delay, on April 1, 2011. Further consider the means by which "customary and reasonable fees" are to be established. Appraiser independence has been the greatest benefit from HVCC and I am glad the spirit of this principle will be retained in Dodd-Frank but quality really is connected to price and a wave of incompetency has been ushered in thru HVCC. The most formidable and competent appraisers cannot afford the rates many AMCs offer. Those accepting such low payment are generally the least experienced, many who had formerly worked under a supervisory split fee office, like mine, where quality is controlled in a very direct and geographically relevant manner. AMCs have undercut our ability to maintain this very

effective process by directly contracting such less competent appraisers who are willing to accept their low fees. Such appraisers have often left their supervisory relationships too early with respect to a broad level of competency. Licensing or certification alone cannot test for this as academics and field work are a world apart. I have never met an appraiser, with the minimal two years of field work required to achieve certification, display a broad and consistent level of competency, both narratively and analytically.

Some never arrive at such a level. Meanwhile AMCs do collect customary and reasonable fees from the public, generally paying the working appraiser 40 - 55% of the total collected. So, the public pays the rates for a high quality product but the working appraiser now receives fees that are generally 20% lower than they had been prior to HVCC(2008). Consider polling all licensed appraisers. Please provide an unbiased forum. Consider questions like: What fees had you

been receiving before HVCC? What do you consider a competitive fee for a given appraisal product which would allow for optimal quality? What value do you believe an AMC contributes to the appraisal process? Finally, consider the

contradiction in maintaining "appraiser independence" when both HVCC and Dodd-Frank allow an AMC to be owned by a lender/bank, further allowing that AMC to employ staff appraisers. Besides the obvious self-serving problems in lender ownership of AMCs and the beholdneness of staff appraisers to their employers, these appraisers are usually paid a pittance of what anyone might consider "reasonable and customary." This should not be allowed and is the most glaring fault in the Dodd-Frank provision. Thank you for your consideration, Keith Baldwin Chief Appraiser, Advance Appraisal Partners, LLC