

From: Destin Appraisals, Lee Dillon  
Subject: Regulation Z -- Truth in Lending

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Comments:

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To Whom it may concern regarding Customary and Reasonable fees per the Dodd-Frank Bill: Appraisers have seen their compensation drop per assignment in recent years due to AMC's charging appraisers for their services instead of the lenders who have hired them. Many lenders have closed their in-house appraisal management operations and outsourced it to AMC's over the last few years in order to match appraisal management costs on a variable basis versus a fixed cost basis. These "savings" however have been transferred to the AMC's via lower payouts to appraisers. If the cost of providing an appraisal is relatively uniform, then the AMC's will have to compete with each other or the benefit that outsourcing appraisal management provides lenders. The comment posted to your site by Mark Johnson on behalf of one of the largest AMC's, LSI, pretty much sums up the problem with appraiser compensation and Appraisal Management Companies. "LSI believes that the existing fee surveys do not establish "customary and reasonable" rates for appraisal services, in part because they do not differentiate between the costs of performing the appraisal and the costs of managing the appraisal process." Appraisers should be paid for providing the appraisal reports and the lenders should pay for the cost of managing the appraisal process. Lee Dillon Destin Appraisals