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Subject: Regulation Z -- Truth in Lending

Comments:

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Comments:

Dear Federal Reserve Board; I have been a full time appraiser for over 32 years. I have an Appraisal Institute SRA designation. AMC's have assisted with a firewall between appraiser and lender but have added another layer of cost to the process. However appraiser's should not bear the responsibility of the cost of this firewall which is exactly what has happened in the industry. A specific example are HUD REO appraisals. In our region we deal directly with one law firm who has a contract with HUD and they pay a fee of \$350 per appraisal which is the maximum allowable by HUD. Another vendor for HUD (also a law firm) utilizes a 3rd party management company. For HUD's same scope of work they only pay \$225 as the management company (Clear Capital) takes \$125 of the gross fee to pay for their services of ordering and delivering the completed appraisal to client. This represents a 35% decrease in fee. Given the current requirements to complete a quality appraisal work product, the time involvement by appraiser has only continued to grow. The appraisal is a key component of the mortgage loan, allowing an unbiased check and balance for borrower and lender. If this is the case, why are appraiser's being driven from the business by not allowing them to earn a living wage. Appraisers generally work with narrow margins of profitability to begin with so the typical scenario presented above is a hardship. Lenders should be paying for this middle management AMC process and not appraiser. However as the current system exists, the middle management AMC is piggy backing on the appraisers fee and their business model makes an attractive sell to lenders. Please consider this factor when it comes time for you to acquire a mortgage loan and there are no longer professional appraisers around to protect your interests from the bank. Sincerely, Ben L. Corcoran, SRA.