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Comments:

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Comments:

Appraisers provide third party, unbiased, objective opinions. Banks, Realtors, Lawyers and such, have a vested interest in the mortgage transaction as their fees are typically based on percentages of the final loan amount/selling price. Appraisers are paid a flat fee with no strings attached and have always marketed themselves on their merits. To be unbiased, third party observers to mortgage finance transactions, Appraiser are governed by an independent set of rules and standards known as USPAP. They are also subject to state laws and regulations, which are tied to the appraiser's license or certification. Not to point fingers, but fraud usually happens at the commission level, obviously. I have been appraising residential real estate for 28 years in the state of California. When I started in 1982, the customary and reasonable fee for an appraisal of a conforming SFR/condominium was \$175.00 of which I made 75% or \$131.25. I worked as an independent fee appraiser for a medium sized appraisal shop for four years at a commission split. In 1986, I went to work for Far West Savings and Loan as a staff appraiser drawing a \$35,000 salary. Needless to say, this position only lasted 2-years. However, during this time, I was taking educational courses and attending seminars in order to gain more knowledge about the appraisal industry and throughout this time appraisal, fees were increasing. By 1986, the customary and reasonable fee for an appraisal of a conforming SFR/condominium unit was up to \$225-\$250. By 1989, with the failure of the Savings & Loans, FIRREA was enacted and the push to license and regulate the appraisal industry at the state level was on and so were rising appraisal fees. By the mid 90's fees for an appraisal of a conforming SFR/Condominium unit was, on average, \$350. After licensing and new form, revisions produced by the GSE's, appraisal fees inched ever higher. These fee increases were solely based on the free market system and were generally accepted within the market. Appraisers were allowed to market their business based on their education, experience, performance and general knowledge of the market. There has been no significant movement or push for higher since the last major form revision and the most recent push for a fee increase due to the addition of the ridiculous form 1004MC was met with some market resistance.

So, here we are many years later with stricter regulation, additional forms and processes to complete and a tough and extreme market to make sense of and one instance and one entity changes everything with the advent of the HVCC and the major emergence of the AMC's. Kudos to the AMC's for taking swift action on a market niche that nobody else saw coming. Let's face it, the AMC's offer nothing that a well-equipped and well-informed appraiser can't do. With all of the technologies offered in existing appraisal and business software these days, any appraiser can operate as a "firewall" or an AMC. The bigger AMC's will have us believe that cannot be done without their proprietary designs and systems but that is BS. That is the rouse they use to take the appraiser's fees. And who decided that the appraiser should be the one to pay? Today, appraisers are not allowed to market their business. No longer can they set their fees based on their education, time in the field, expertise. No longer can they set their fees based on the complexity or SOW of the assignment. No longer can they differentiate themselves from their colleagues. No longer are the independent fee appraisers independent. Today, the fee for an appraisal of a conforming SFR/Condominium unit is set by the AMC with no regard to what is customary and reasonable. Assignments are awarded based on turn-around time and the acceptance of the meager fee not by expertise. Today, a fee offered by an AMC can be, and many times is, lower than the fees collected in 1982 and the fee to the borrower is astronomically higher.

Personal

experience shows that the borrower is paying in excess of \$400.00, sometimes as high as \$650, for an appraisal of a conforming SFR/Condominium unit. Yet, the appraiser is collecting much less. In what reality does this make sense? Does the industry want to suffer more loss, more corruption and more under collateralized loans for the sake of making higher profits? On the other hand, does the industry really care about keeping their noses clean and operating above board and making loans that make sense to both the consumer and the investor? HVCC was intended to be the end of the coercion of the appraiser. To many, the AMC model with 4-10 page instructions with every order is in and of itself coercion. In fact, all of the GSE direction in terms of forms and requirements of how things are done can be construed as coercion. Independence in the appraisal field is dead. I am requesting (strongly) that Title X I V of the Dodd- Frank Act and the promulgation of the appraisal independence and the "customary and reasonable" fee provisions be upheld without delay.