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Comments:

Sirs, I have been an appraiser for more than six years. I started in residential and now work mainly in commercial. The Certified General Appraiser who trained me has been working in the business for more than 30 years. When I started the customary fee for an average house URAR appraisal was \$350.00. According to the person who trained me, it had been that fee for the last five to ten years, with no increases for inflation. All of a sudden appraisers are required to go through AMCs in order to continue to work for banks. In order to continue to appraise average houses, the AMCs wanted me to accept fees of \$200 to \$240 per house. Not only was this a tremendous cut in income of almost 35%, if I did not accept these fees, I did not get work. I now perform house appraisals for only one AMC. I had to lower my fees, to \$300 for an average house. I RARELY get work, the only time they call me is when everyone else is busy, or if it is a complicated assignment. Occasionally they will ask me to perform an appraisal on a house worth more than \$2,000,000 (I work in Los Angeles) and want to pay \$375. I have a large liability with larger more expensive houses and feel my compensation should be \$500-\$600 for these types of assignments, as that is what I was paid prior to the AMCs. If I ask for that fee, they tell me they will get back to me, then find someone who will do the job cheaper. The price of data goes up every year, yet the fees have gone down. An appraiser can barely afford to work for these prices. On the one hand lenders and others want accurate appraisals on the other hand they do not want to pay reasonable and customary fees, and give the job to the lowest bidder. This results in appraisers from out of the area, who do not know the neighborhood performing an appraisal and either overstating or understating the value. All appraisers ask is to be able to make a living and provide accurate appraisals. The appraiser gets the smallest fee in the mortgage system, but they are the only ones providing an independent estimate of value. If the Fed is interested in the integrity of the system, it must insure that appraisers can make a living and not race to the bottom of the fee schedule.

In the Los Angeles area \$200-\$250 for a regular URAR report format is unreasonable. Usual and Customary was \$350 and that is with no increase in more than ten years. AMCs should add their fee on top of what an appraiser gets paid, and not look to the appraiser to fund their companies. Thank You,
Peter H. Milio