

From: Manuel
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Comments:

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Comments:

To whom it may concern, I am responding to the request for public comment of interim rule amending Regulation Z (Truth and Lending) as it relates to reasonable and customary appraisal compensation. I've been making a living as a full time residential appraiser for over 25 years. When I started fee's averaged about \$300. Today my fee is \$450 which I consider to be just and reasonable compensation. Compare this to the price of US postage: 22 cents in 1985 versus 44 cents today or the average sale price of a new home 11/1985 - \$104,100 versus 11/2010 - \$268,700. The appraisal fee compensates me for much more than my time. It includes several expenses: office space, administrative staff, research fees, insurance, gas, association dues, continuing education, automobile maintenance, office supplies, taxes, collection fees and insurance. Prior to starting an appraisal company my compensation was a fee split ranging from 35% to 50% of an appraisal fee of \$300 to \$350. In setting fee's for my company, I thought since I didn't have to split my fee I would be doing well if I charged \$275. I didn't consider the expenses and difficulty in collecting. I was barely paying expenses after I started hiring administration assistants. I had to raise fee's to stay solvent and competitive in paying others working with me. I spend about 7 to 10 hours on most case. Market conditions in some communities require more time due to limited sales activity and unusual circumstances. On average a fee of \$450 for a Uniform Residential Appraisal Report with Market Condition report, and additional addenda is fair compensation. Most Appraisal Management Companies (AMC) I work with collect \$450 to \$550 and pay me a portion. I know this because some of the borrowers complain. I consider the value added by the AMC to be \$50 to \$100 for generating the work and collecting fees. However, they often call me asking for fee and turn time. I'm not sure why because when I quote a fee requesting 5 days they tell me they will only pay \$250 and need it within 3 days. AMC's have a list of preferred appraisers which is actually appraisers willing to accept their low fee s & terms. After the sub prime crises in 2009 there was no work at all and I placed my self on a preferred list to feed my

family. I accepted fees of \$280. This same company offered me \$325 a few months before. I didn't get a lot but was grateful for the work received. When activity started again it made no sense for me to continue accepting work at \$280 but I felt a sense of obligation. The AMC began to send 4 a week which would delay my other work paying \$450. I wrote a letter to the AMC thanking them for the work but requested at least \$325. They responded by lowering my fee's because they said they got other appraisers to work for less in my area. Today this same company is willing to pay more than \$400 to get some assignments they absolutely need completed professionally within a specific time. In my career I've experienced changes in demand for my opinion. If appraisal fee's are lowered to below \$400 it would be difficult to train others and in time fee's will gradually rise much higher than \$450.