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Comments:

Dear Chairman Bernanke, Mr. Schurman of TAVMA would have you believe the appraisal market is a free market system. It clearly is not. The HVCC when enacted, for all essential purposes, drove most lender originated appraisals through the AMCs. The number of orders they received increased dramatically and the number of orders I received directly from lending institutions declined dramatically, as with all other appraisers I know. Clearly not a free market force. This has left the majority of the lender originated appraisal market dominated by a handful of lender owned AMCs. They are in control of setting the majority of fees for these types of appraisals. It seems ironic that the largest offenders of appraiser pressure (AMCs) benefited so greatly from the HVCC. The borrower is generally unaware of the fee that goes to the management company and what portion of that fee goes to the appraiser. From comments made to me by borrowers, it has been my experience that the borrowers believe most, if not all, of the fee is going to the appraiser which is rarely the case. I do tell them I am unable to discuss the fee with them when working with an AMC. Furthermore, this is not broken down on their HUD statement, as it clearly should to properly inform the borrower of all fees paid. It would be most beneficial to the borrower if these fees were clearly described on a borrowers HUD statement showing exactly what they are paying for and not mislead the borrower. It would probably be even better if the lender had to properly disclose this at the time the appraisal was ordered. In my area the standard fee for an appraisal is \$450 which is customary and reasonable. But, this is what the borrower pays to the AMC. Generally the appraiser will get half of this fee when working through an AMC.