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Comments:

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Comments:

I have been appraising residential real estate in the Seattle, Washington area since 1986 and have been a certified appraiser since 1993. When FIRREA took effect in 1990, the typical single family mortgage appraisal in this area was \$350. By 1995 our typical fees had increased to \$400. Fees for all other functions affecting real estate lending have increased in the past 15 years. Although appraisal management companies (AMC's) have been involved in this area for a long period, they were not a significant player. In 2004 I was contacted by an AMC and informed that they would be handling all the orders from one of my clients from then on. I had been receiving \$400 or more for every assignment from that lender. The AMC said they had a job available, that they had received a bid of \$320 for the assignment and that if I could do it for less, I could have the job. I advised them that the quality required by that client could not be done for less than \$400. I immediately lost 12-15 orders per month. Fortunately I had other lender clients that ordered directly and I increased my death, divorce and dispute assignments. The Veterans Admin pays \$500 for a single family appraisal with the 1004-MC form, the USDA-Rural Development pays \$450 without the 1004-MC, and community banks and credit unions who do not use AMC's pay \$450-\$500. Waterfront, rural acreage and other complex assignments earn higher fees. I do some work for AMC's, but I get a minimum of \$375 and that is only if the property is within 5 miles of my home or office. I was doing very little work for mortgage brokers prior to HVCC in May 2009, so was not impacted by those changes. However, many very competent and experienced appraisers in this market have been hurt by the reduced AMC fees. The banks used to have appraisal departments which handled the ordering, processing and reviews of appraisals as part of their overhead. The entire appraisal fee collected from the borrower was paid to the appraiser. When the AMC's got involved, they received what was previously paid to the appraiser, taking a substantial portion and providing minimal service to either the appraiser OR the lender. Bank review appraisers performed technical reviews, most AMC's only do a cursory administrative review. AMC's tell appraisers that

they provide us with marketing and buffer us from pressure, but I still get pressure from AMC's and their "marketing" assistance is NOT worth 35-55% of the fee. And on a few occasions, a borrower has asked me why the appraisal costs \$600 or \$700. So far I have refrained from telling them that I am receiving much less. And I either stop accepting orders from that AMC or insist on a higher fee. At most, the services an AMC provides might be worth \$50-75 to me.