

From: John Hassler
Subject: Regulation Z -- Truth in Lending

Comments:

Date: Dec 27, 2010

Proposal: Regulation Z - Truth In Lending Act
Document ID: R-1394
Document Version: 1
Release Date: 10/18/2010
Name: John Hassler
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country:
Zip:
PostalCode:

Comments:

The business model of an Appraisal Managements Company (AMC) is completely inappropriate for the task of protecting the public. Their business model effectively guarantees the lowest cost appraisal provider will be utilized. In appraising, like any profession, experience counts and experience costs money. This is categorically at odds with the AMC business model. A couple of things can be done to correct the AMC business model: 1) require AMCs to post a bond in every state to make sure appraisers are paid within 60 days. 2) Make AMCs 100% liable for the appraisers they engage (the same way a General Contractor is 100% responsible for the independent Sub-Contractors they engage on a project). 3) Make the AMC fee a separate line on the HUD-1 so that the HUD-1 truly is a Truth In Lending Statement. These three little changes would add considerably to providing both consumer protection at the micro level and public protection on the macro level. Thank you for your time. John Hassler