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Subject: Regulation Z -- Truth in Lending

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Comments:

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Comments:

Dear Chairman Bernanke: I have looked over the comments before posting my own, and I see that the AMCs are well represented within these comments. They have hired lobbyist and lawyers to make carefully crafted statements both in person and also here in the request for comments regarding the "reasonable and customary" fee provision of the Dodd-Frank Act. Why is that? Why is there such an interest in this agent of due diligence? Is it because of their great concern for the protection of consumers? Well of course not. This agent of due diligence, the appraisal process, has been transformed recently with the passage of the HVCC into an agent of production. Now that the HVCC will sunset, the interest is in keeping the appraisal process as an agent of production. There is considerable money at risk for them if the appraisal process returns to what it was intended to be - an agent of due diligence. With the number of transactions taking place, inserting themselves into the process has become a low risk, high reward venture for them. Unfortunately, this reward has come at the expense of residential appraisers and those that they serve, the general public. This is an expense to appraisers because the entire income attributed to the AMCs comes from the fee they are able to "skim" off the top of the fee charged to the consumer. Obviously, since there is little to no recourse against the AMCs if the appraisal report is faulty, (to make sure of this many have hold harmless agreements for the appraisers to sign stating that the appraiser will be responsible for any and all legal fees resulting from any action from anyone regarding the appraisal) the primary concern is how much of the fee they can retain, not whether market and collateral conditions have been adequately analyzed. This has caused a competition among appraisers of fee only; instead of a competition of knowledge, integrity and skill that are needed now. Many of the most skilled have simply left the residential market because of the lack of compensation for other areas of appraisal where skill, integrity and knowledge are rewarded, leaving the inexperienced and those that did not improve their skill level beyond the

minimum to perform residential valuations. This means that in this point in history, where residential collateral valuation is possibly more difficult and more critical than ever before, those that are left to perform these valuations are those that are unable to compete in areas where skill and knowledge are paramount. As one of the appraisers who rarely accepts residential appraisal assignments anymore, my income is unlikely to be directly affected by your decision; (certainly not to the degree that the managements companies will be) however, I will be affected indirectly by poor collateral valuation products that changes to the act will encourage. I urge you to consider the intention of the act; and the consequences, both intentional and unintentional, of modifying the act in favor of the AMCs.