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Comments:

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While it's great to make sure that the banks qualify borrowers, to make sure that the home value is correct. Stipulate that appraisers employed by bank owned Appraisal Management Companies are not allowed to do the valuations. The banks own the AMC's and there has been, in the recent past and present, easy money corruption by the banks as the bank owned AMC's are a for profit business for the banks and they only hire the least experienced appraisers, so they can pay them 50% of the typical fees and pocket the difference of what they charge the consumer or buyer. IE... the AMC charges the consumer \$600 and pays the appraiser \$300. These new rules need to specify that only honest unbiased and good quality valuation from experienced independent appraisers and appraisals are accepted. Experienced and unbiased appraisers would not accept \$300. The AMC appraiser is trapped into working for the AMC for 1/2 the fee to stay in business (whether they qualify and deserve to be in business or not). You need to keep the loans and the valuations separate to ensure protection of the consumer (not all of them will want to or might be able to afford to sue) and make sure only unbiased and independent appraisers are used with no ties to any banks or bank owned AMC's. Protect the banks and protect the consumers in this way.