

REAL ESTATE APPRAISAL CENTER, INC.

April 12, 2011

Jennifer Johnson, Secretary, Board of Governors –
Federal Reserve System
20th Street & Constitution Ave. NW
Washington, DC 20551

Re: Final Rules for Appraiser Independence, within the Dodd-Frank Law

The VA Fee Chart reflects the typical fee I received (prior to AMC's) for my appraisals for many years. I am in California, I have been an appraiser for almost 25 years & my fees (prior to AMC's) can be easily documented. My point is clearly a Customary & Reasonable Fee is the fee the borrower pays for the appraisal. For the majority of my career, I received my fee in the form of a check written directly from the borrower, as it was illegal for one to keep any part of the appraisal fee. **The Customary & Reasonable Fee was & is the fee the borrower pays for the appraisal.**

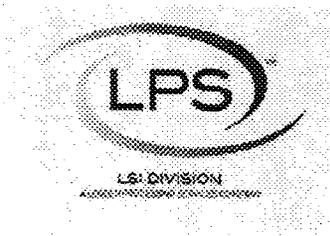
Lenders already have someone to originate appraisal orders. There are many sites the lender can request the appraisal orders through, as most sites charge a \$15 or less fee to the appraiser with no cost to the lender. One alternative is a nationwide company such as **Mercury Network, who charges \$13.75 to the appraiser & no fee to the lender. A low flat fee per order is acceptable to an appraiser completing the job & this satisfies Appraiser Independence guidelines.** It is sad some AMC's are a subsidiary of the lender & therefore adding extra money back to the lender. Borrowers pay appraisal fees expecting to get a quality appraisal by a qualified, experienced appraiser. Unfortunately, it is usually the appraiser with minimal experience who is willing to accept the lowest fee & fast due date that accepts the job. Now again the whole financial system is being jeopardize since the clear requirement for issuance of the appraisal order is that it be completed at the lowest fee. The typical fee I am offered for an appraisal is currently lower than when I started almost 25 years ago. The fees I get are currently a **1/2 LESS** than they were 2 yrs ago. I ask you please take note the financial system is loosing the seasoned & qualified appraisers needed in the current markets. I attached correspondence from LSI (an AMC) that shows the typical fee their appraisers accept. LSI also charges \$125 to review the appraiser application package for possible approval & possible use of services. Realtors & Notaries I speak with confirm the typical fee their borrowers pay LSI for the appraisal is \$450 to \$650 for a typical single family home.

In life there are ethical & unethical people who are competing for the same job. I can not recall instances of lender pressure to deliver a specific value, as I have always maintained a sense of Personal Appraiser Independence. I care about my profession, as I take pride in each assignment I complete & I have no intention of being influenced. I am sure the intention was not to now give an AMC so much power over the appraiser. AMC's have appraisers to sign confidentiality agreements regarding fees, as the AMC tries to keep it secret how much the AMC is paid and how much of that is paid to the appraiser. Another sad fact is many AMC's are slow to pay the appraiser (45-60 days) and some AMC's are not paying the appraiser at all. AMC's have no real accountability, yet they have significant influence as the supplier of appraisal orders. **I am very sad to see the whole financial system being manipulated once again, as a low flat fee per order is reasonable for the appraiser completing the job & this satisfies Appraiser Independence guidelines.** I would be more than happy to assist in any way possible, by phone calls, correspondence or any way at all. Thank you so much for your attention, I look forward to hearing from you.

Sincerely,



Jacqueline E. Battisti,



APPLICATION TO APPLY FOR PANEL APPROVAL

In order to be considered for panel approval, each applicant must meet the following requirements and provide the following documentation as well as a \$125.00 application fee for each appraiser applying for approval. This application fee covers the review of the application package; verification process of Certification/License status with the State Board; verification of references; background check; and review of the appraisal demonstration reports.

The payment of this fee does not guarantee approval or order assignments. If your application is not approved, a pro-rated portion of the application fee will be refunded to you.

REQUIREMENTS AND DOCUMENTATION NEEDED:

Applying Firm - Principal / Supervisory Appraiser

- In good standing with your State licensing authority and/or regulatory entity
- No disciplinary action from any State licensing authority and/or regulatory entity
- 5 years of appraisal experience with all property types
- Executed 'Performance Expectations' Form
- Completion of the 'Appraiser Profile' Form
- Executed 'Home Valuation Code of Conduct acknowledgement' Form
- Executed LSI 'Independent Contractor Agreement'
- Completion of the IRS Form W-9
- Resume
- Copy of License/Certification
- Errors and Omissions Insurance (Minimum coverage of \$500,000)
- Successful Background Check
- Completed Appraiser Test
- For FHA Approval
 - Proof of satisfactory completion of an FHA course of study completed within the last 12 months.
 - Completed FHA Test
- 3 letters of reference from lending institutions.
- 4 Appraisal demonstration reports
 - 1 complex URAR
 - 1 Multi-Family
 - 1 Condominium
 - 1 Drive-By

Applying Firm - Associate Appraisers

- In good standing with your State licensing authority and/or regulatory entity
- No disciplinary action from any State licensing authority and/or regulatory entity

PROPRIETARY AND CONFIDENTIAL INFORMATION

Subj: **Re: Appraisal Setup with LSI**
Date: 6/9/2010 8:51:24 AM Pacific Standard Time
From:
To:

Goodmorning Damon,

Thank you for the Appraiser New Hire Package... I have looked it over and there are many items requested, as it seems you are wanting to select from the most qualified appraisers & I can appreciate that for sure. Although these items are not at all a problem for me to supply, given there is a additional processing fee of \$125 I would at least like to be aware of the typical appraisal fees offered for assignments in my area. There is such a variance in fees currently & as not to waste time &/or money I would appreciate any further information you can give.

Currently the majority of my work consists of assignments from FNMA. & Freddie Mac, so I just want to know what your typical fees are for assignments in my area of the High Desert Communities in San Bernardino County.

Thank you so much for your time & I do hope to work with you.

Sincerely,
Jacqueline Battisti.

Subj: **RE: Appraisal Setup with LSI**
Date: 6/9/2010 9:01:50 AM Pacific Standard Time
From:
To:

[The message and any attached files have been turned into a ZIP attachment. Once downloaded and unzipped, open it with a word processor or text editor for reading.]

Below is a grid showing EVERY LSI approved appraiser and the fee they charge to LSI
Should allow you to ballpark

State

County

URAR

Multi

REO

Drive By

CA

San Bernardino

\$165.00

\$180.00

\$120.00

CA

San Bernardino

\$165.00

\$400.00

\$200.00

\$120.00

CA

San Bernardino

\$165.00

\$250.00

\$175.00

\$125.00

CA

San Bernardino

\$169.00

\$400.00

\$225.00

\$140.00

CA

San Bernardino

\$170.00

\$320.00

\$195.00

\$120.00

CA

San Bernardino

\$170.00

\$340.00

\$195.00

\$125.00

CA

San Bernardino

\$174.00

\$324.00

\$199.00

\$125.00

CA

San Bernardino

\$175.00

\$375.00

\$200.00

\$115.00

CA

San Bernardino

\$175.00