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Appraiser independence, if that is the goal, is virtually impossible when the market is dominated with loosely to non regulated AMC's controlling the market. To move forward in a way that best protects the consumer there must be a checks and balances involved in the finance/mortgage transaction process to ensure the consumer is protected as well as the bank and its investors as we have seen what happens when finance industry collapses. The best way is to ensure these protections is when proper collateral values are determined up front. To achieve that goal you need competent, experienced professionals. For a professional to be able to maintain a successful business model there must be adequate income to meet requirements of business as well as reasonable profit margin. The overwhelming majority of AMC appraisal fees are impractical for the experienced real estate appraisers. This is due to the vast number of expenses required to render a value and deliver it as required currently and/or as expected in the futures. Appraiser have to join at least one local board of Realtors (annual fee), pay for MLS subscriptions (annual/monthly/or quarterly fee), maintain E&O insurance (annual fee), maintain our State license (annual or semi-annual fee), cost of acquiring data for the 1004MC (the most useless form in the history of the profession, it came from World Savings/Wachovia's EVC form and while I was there I pointed out constantly how flawed and damaging to the appraisal process it was, but I digress), complete continuing education (fees), maintain appraisal software contracts (annual fees) and then you begin the constant costs to complete a report. These constant costs include gasoline, auto insurance (typically higher as we use our vehicles for business) and auto maintenance (I have averaged as 19-21k miles per year just from doing inspections) to name a few, but also include the myriad of office related expenses whether working from home or maintaining an external office. The fact is that even if a person has the most economical vehicle, cheapest appraisal software and is as frugal as possible this profession requires a great deal of constant capital out put. As these costs rise (E&O, gasoline, auto insurance rise almost guaranteed annually) the cost to do business rises, yet AMC are paying fees that are less than or equal to what

appraisers received when I started in the profession in 1988/9. The only costs that have gone down are photographs since we are now using digital cameras, but every other fee/cost associated with this business have risen steadily and consistently. While I do not propose that VA fees should be standard, though of course I would love that personally, but the reality is that an experienced professional cannot maintain a quality, reliable business model on 1988 fees in 2010 or beyond. You are left with only cut-rate appraisal mills with minimal QC and the least experienced appraisers providing the front line work with minimal supervision. I believe that reasonable fees are what Fannie Mae's NPDC division pays for its REO assignments, which is \$350.00. That fee for a typical 1004 or 1075 (condo) is appropriate based upon costs and time required to complete it. However, the 1004MC should be minimum of an additional \$50.00 due to cost and time not to mention the risk of using such a flawed and misleading form. FHA reports should also command an additional \$50.00 due to extended inspection and reporting requirements which does put you right around VA fees for an FHA assignment and slightly below for a non FHA assignment. When you consider that for the same transaction with often far less liability the Agent will receive 1.5 to 6+ percent of the sale price and the loan officer will receive about the same the pittance that is a \$350-\$425 fee for arguably the most important aspect of the transaction, the independant valuation of the collateral, is hardly going to break the transaction or bottom line of any reputable lender or consumer. Verifying the value is there or not there could save a consumer 1000's or 10s of thousands of dollars in many instances.