

From: Lenin Batista  
Subject: Regulation Z -- Truth in Lending

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Comments:

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Comments:

Regarding TILA Section 129E/Section 1472 of the Dodd-Frank Wall Street Reform: I am concerned regarding some of the wording in the Interim Final Rule on appraisal independence. Payment of reasonable and customary compensation does not appear to apply to all appraisers, just those who are independent from creditors and appraisal management companies (AMCs). This concerns me and other professionals in the appraisal field greatly due to the fact that reasonable and customary fees greatly affect the future of the appraisal industry. AMCs account for approximately 70% of the appraisal orders. The top 5 AMCs control approximately 80% of all AMC appraisal orders. These 5 AMCs are currently paying appraisers approximately 50% of what fees used to be prior to HVCC. Every appraiser I know is getting compensated less for an appraisal report now than any time during the prior 2-3 decades. These current fees do not allow an appraiser to hire the staff and pay for the data sources necessary to develop an accurate appraisal report. Although I have managed to stay busy with appraisal work, the current fees do not allow me to rent out a small office or hire an appraisal assistant. I am currently working from a room out of my apartment. This trend is similar for many appraisers. I know of appraisal offices that have gone from seven employees to two. Many are working over 70 hours a week in order to maintain their current income. Due to the sharp decrease in fees over the last 3 years, the appraisal industry has become a dying field. There is little interest in becoming an appraisal due to the amount of work with little compensation for it. If this continues, the appraisal industry will have less qualified people rushing to complete reports, resulting in a lower quality appraisal. A reasonable question by a consumer of appraisal products might be; do appraisers who work for creditors or appraisal management companies share the same level of responsibility and accountability for quality as independent fee appraisers? If the answer to this question is yes (and I believe, according to the Uniform Standards of Professional Appraisal Practice - USPAP, it is), then why aren't all appraisers paid according to "reasonable and customary compensation" especially when the description of Customary and Reasonable Fee according to Subtitle F, Item 1 of the Dodd-Frank Act states, "Fee studies (for fee appraisers not working for an

AMC) shall exclude assignments ordered by known appraisal management companies." I urge you to please consider the implications of your decision on the appraisal industry and its future. Appraisal independence is necessary and it cannot be accomplished if the majority of appraisers are struggling to maintain an office, pay for the necessary resources, and train future appraisers in writing high quality work. Thank you. Lenin Batista Certified Residential Appraiser