

From: Peggy H Dekom
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Comments:

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Appraisal Advantage Chairman Ben S. Bernanke Board of Governors of the Federal Reserve 20th Street and Constitution Avenue, NW Washington, DC 20551 Dear Chairman Bernanke: This letter is in regards to Title X I V (Sec 1400 Et Seq) of the Dodd-Frank Bill. Sec 1 4 7 2 of the act adds sec 129E, which refers to "Customary & Reasonable Fee" requirement. As a certified residential real estate appraiser for over 12 years (with an MBA in urban land economics), I am of course well aware of what a customary & reasonable fee for my service is. Before Appraisal Management companies basically took over the appraisal business, a customary & reasonable fee for my services in the Los Angeles area was \$375.00 to \$400.00 per residential appraisal. After implementation of the HVCC and the subsequent takeover of the residential appraisal market by the AMC's, the fees were reduced to between \$200.00 and \$250.00 per residential appraisal (the appraisal management companies take approximately 40-50% of the appraisal fee, providing little in return to the consumer). In addition appraisal orders are placed with the lowest bidder, and appraisers are pressured to complete appraisals in a very short time. This is a problem for appraisers, but also for consumers, who derive no benefit from having their fee pay the AMC fee. The HVCC has some important features including the separation of the lender/mortgage broker from the appraiser. However the AMC system has resulted in fees that do not allow an appraiser to meet business expenses, impossible turn times and increased fees to the consumer. The system as controlled by AMC's also results in appraisers' not hiring trainee appraisers, as the low fees are not high enough to pay both the supervising appraiser and the trainee appraisers; at some point there will be a shortage of appraisers. I suggest the appraisal fee be separated from the appraisal management fee, and that lenders who wish to use AMC's pay that fee separately, so that consumers, who generally pay for appraisals, receive what they pay for--a quality report prepared by a local appraiser. Also, I suggest that customary and reasonable fees be based on the VA schedule of fees paid to appraisers for

reports in the various geographical area. I know that the big banks (who basically control most of the large AMC's) have a lot of "clout" but please consider the independent fee appraisers like myself, who have little clout but who work to provide quality appraisals for their clients, when you act on the regulations regarding customary and reasonable fees. Sincerely, Peggy Dekom