

From: R.B. Hill Company, Katrina V. Hill
Subject: Regulation Z -- Truth in Lending

Comments:

To whom it may concern:

I am an appraiser in New Hampshire with 25 years experience. I have a few comments about the proposed legislation, re: AMC's & fees. (Note: I do not do much work for AMC's as I work mostly for local banks and private clients, see reasons below:)

1) AMC work is difficult because of the required turn-around times (just a few days). Most seasoned appraisers have a certain workload in front of them, and need time to complete the assignment properly (confirm sales with realtors, visit the town offices, collect data, etc). In our area of New Hampshire, which is somewhat rural (country location with smaller towns), the town halls are not open always daily, the sales frequently are in different towns (requiring significant driving between comps) and each of the properties appraised tends to be unique. AMC work in our area is done mostly by entry level appraisers from out of our area. I know this because local realtors frequently comment on the lack of knowledge these appraisers have, of our area. We are near a major highway (Interstate 89), so appraisers can drive up from southern NH in an hour or so. This does not make them geographically competent.

2) Regarding fees: An appraiser who cares about the quality of work cannot do a proper job for the fee presented. Frequently the AMC's will call me for a even a local job, say a waterfront property (which does require knowledge of the lakes in this area). I know how long it will take me to do the job (having done the work in this area for a long time) and cannot do the work well for their fees, so they usually don't give me the job. I am self-employed and as such, need to pay for health insurance (which is very costly in New Hampshire, as elsewhere, Errors and Omissions Insurance, licensing, professional dues, maintain a four-wheel drive vehicle (essential in this area of back roads and long winters), maintain my computer equipment, etc. The overhead is significant. I work long hours, frequently nights and weekends and most appraisers I know of, do the same. I do not compromise the quality of the work because I really believe that it will haunt you in the end.

My reputation is what I have and I guard it carefully, because this is what keeps me in business and why I receive referrals. Appraisers who work for larger shops (and AMC's) do not always have the same sense of responsibility to themselves and their clients. This is the dichotomy in this business - sole proprietors vs. employees. I think that this lessens their understanding of the purpose, and of the client and allows them to cut corners and/or accept jobs for which they are clearly underqualified.

3) Experience is important. What you have here, with the AMC model, is the Walmart of appraisals. In other words, the low fees get you the entry level quality, minimal experience, but you still get the product. This, in my opinion, is the dumming down of the mortgage appraisal business. I am thorough and also have a network of local realtors, appraisers and other persons who I can call to get personalized information about a property, what the concessions were, condition and quality of the interior, etc. This

network takes a long time to build (years) and is invaluable when doing appraisals. Experience is extremely important in knowing values in the area. Just accessing an MLS database does not tell the whole story... I would say that most of the seasoned appraisers that I know of, have found other clients (local bank or private work), rather than AMC's to work for, because of the above-stated reasons.

Katrina V. Hill
NH Certified General Appraiser
R.B. Hill Company