

From: Jim Nelson
Subject: Regulation Z -- Truth in Lending

Comments:

Comments on proposed regulations:

1. (226.42(F)(1) Volume based discounts for a creditor that provides multiple appraisal assignments to a fee appraiser does not make sense as an appraisal report is not the same as buying a quantity of a manufactured product, and volume based discounts could easily be used as a loophole to avoid paying customary and reasonable fees. As most appraisal assignments go through AMC's these days, AMC's could easily force the appraiser to accept "discounted" pricing if the appraiser would like to accept more than one assignment from that particular AMC (and what would be the time frame for "multiple" assignments, 1 day, 1 month, 1 year?). The whole concept of customary and reasonable fees would evaporate.

2. (226.42(F)(3) In determining customary and reasonable fees, a creditor should not be able to use third party information that includes AMC fees, as the entire business model of AMC's are based on underpaying the appraiser. Dodd-Frank states that AMC fees are not to be used as examples of customary and reasonable fees. Any survey or study should be done by a third party using information which excludes AMC fees as per the intention of Dodd-Frank.

3. (226.42(F)(I)(A-F) Currently AMC's do not normally pay a higher fee for a complex assignment. This needs to change, as it is customary and reasonable to pay a higher fee for a complex assignment.

4. (226.42(F)(I)(A-F) The minimum report turnaround time should be 48 hours from property inspection for a typical single family appraisal, as many AMC's demand 24 hour turnaround or less, which at times is not reasonable for a professional report. If the appraiser does not meet the 24 hour turn time, the appraiser is often not used by the AMC for further assignments.

Thank You,

Jim Nelson