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Subject: Regulation Z -- Truth in Lending

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Comments:

Date: Nov 04, 2010

Proposal: Regulation Z - Truth In Lending Act  
Document ID: R-1394  
Document Version: 1  
Release Date: 10/18/2010  
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The truth in lending act is a joke. AG Coumo had no business poking his nose in an area where he has no experience. AMC's are a joke and have been huge profit centers for large banks. The intent to distance the lender from the appraiser to avoid influence has failed miserably. Influence on the appraiser comes from the AMC's (who get paid per approval in most cases), comes from the realtors or brokers who get enormous commissions on closing a sale, and from the borrower, who in refinance or HELOC cases, needs the money, hell even the sales contract can be considered influential. The bankers were not so much the problem as independent brokers who also are paid based on the deal closing. Appraisers are the lowest paid people in the whole real estate process and in many cases, not paid at all if the deal does not close. Maybe if the feds would shift their focus on the basis of the problem instead of pointing the finger at a specific group, the problem could be properly addressed. If appraisers don't make deals work, they don't get any more work. The whole appraisal process is a double edged sword, if appraisers push the values to make a deal work and get caught, he/she punished financially and out of their own pocket, an appraiser is damned if he/she does and damned if he/she doesn't. Expenses have increased drastically, increasing license fees, more required education and appraisers have had only one fee increase since the 1970's. Now lenders are forcing appraisers to carry E & O insurance which is an unnecessary expense, E & O DOES NOT PAY, does not protect the lender, does not protect the appraiser, completely useless! E & O is merely a pocket for attorneys to pick and an additional expense for appraisers. But I digress, AMC's do nothing, they are affiliated to lenders and they charge appraisers, not just for being affiliated, but also whittle the appraisal fees (additional profit for the AMC). The standard fees vary from area to area so essentially, the AMC can make more money on the deal than the appraiser who actually does the work. Appraisers come from neighboring states because the AMC's were able

to find an appraiser willing to accept assignments for less than the local appraiser who actually knows the market. The practice of whittling fees has slowed recently, however, the process is still useless, AMC's get paid for picking up the phone calling an appraiser, it is a JOKE! Some AMC's are now claiming to "review" appraisals and have staff appraisers who can "sniff out" fraudulent activity, unfortunately, most AMC's are national, so does it make sense that an appraiser in California is going to be familiar with values in Ohio or Florida? I think not! AMC's are an unregulated, unlicensed, uneducated entity who should have no business in the lending process, AMC's should be eliminated. Alabama had proposed a good appraisal bill, shot down by legislators who were on the take from big banks. Essentially, AMC's had to be licensed and operate regionally, covering no more than 6 regional counties, had to have a Certified Appraiser, in good standing with the Appraisal Board, review the appraisal reports prior to sending them to the lenders. Fraud can only be exposed where and by whom it may be perpetuated, a knowledgeable, experienced appraiser. Appraisers compete for business, the only collaboration appraisers have is in sharing data, in other words, we don't talk shop, and for the most part are honest. Appraisers know who the shady appraisers are and are the only people able to stop fraudulent activity. The appraisal industry used to be a respected business, but since all this regulation has evolved, the industry sucks! The changes have done nothing to protect lenders, borrowers, or investors. The next crash will be far more severe than the first one unless the AMC bill is eliminated and the process properly modified. DO NOT make changes based on what attorneys, lenders, or what realtors say, nobody, you want to stop the bad appraisal process from happening, talk with an experienced appraiser. The truth in lending act is a total joke!