

From: Joan Trice
Subject: Regulation Z -- Truth in Lending

Comments:

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Subject: September 8, 2010 conference call information for Board staff outreach regarding appraisal independence rules

Dear Ms Ryan,

I am part of ongoing dialogue with the lender community and AMCs through the Collateral Risk Network and through my publication, Appraisal Buzz, 48,000 appraisers.

There is tremendous resistance to payment of reasonable and customary. And unfortunately as with all rules where there is resistance to change there are loopholes to be found.

Interestingly, the penalties are significant so I am hearing some hesitation to "testing" the law. But in the minority are those who just want to "do the right thing" regardless of the law. That is a bit disheartening.

I have repeatedly pronounced that R & C really isn't that difficult. I am clearly in the minority with that opinion. R & C isn't difficult to determine, just difficult to accept.

Data is available as Bill Garber has indicated. There is the VA schedule, there are lenders own fee schedules that have determined "retail" fees. I surveyed appraisers and have just under 4000 responses. There are other studies and there are transaction platforms where AMC transactions can easily be sorted out. In short it really isn't an intellectually challenging decision. It is just a major change with respect to who was performing the services and who was doing the paying. And of course the not so obvious practice of lenders skimming fees off the top before the AMC takes their fee from the appraiser, not the lender. It is an insidious practice that is not sustainable.

And at the end of the day it is harmful to the consumer. "Transparency is a powerful disinfectant". We need to come clean and work towards allowing the appraiser to operate in an independent environment with fair compensation.

Joan N. Trice