

From: Lamdeas Appraisal , Daniel Angel
Subject: Regulation Z -- Truth in Lending

Comments:

After 18+ years as an appraiser and surviving HVCC, I am optimistic about the new regulations, however, the subject of Reasonable and Customary fees is still of great concern.

Prior to HVCC, the standard fee in Southern California for an appraisal (form 1040) was \$350 to \$400. After the implementation of HVCC last year, I was forced re-establish my business through AMC's and accept assignments for as low as \$165 in order to survive, knowing that the AMC's had raised the rates to the consumer to \$400 to \$450 due to the increase in the amount of work (1004MC and significantly tighter requirements from the AMC's and the lenders) required to complete an assignment. Currently the AMC's are trying to imply that the unfair, fractional fees that they forced appraisers to accept after being empowered by HVCC are now the standard of the industry. This is not right or fair in any way, not only does this infringe on appraiser independence, it is illegal and goes against free trade and free enterprise. Reasonable and customary fees are and have always been the amount that the consumer (borrower) pays for an appraisal. Why should the appraiser be forced to fund what had always been a lender service. HVCC was not more than a political scheme only favoring the banks, as it allows them to own AMC's and turn what use to be overhead into another income stream at the expense of the appraiser. It is obvious that when it came to finger pointing time, the blame was put on the smallest and less powerful group, the appraisers, rather than on the banks "loose" lending practices and greed. Based on basic economics (supply and demand), when the banks got into the sub-prime market and started lending money to anyone with a pulse, the demand increased at a rate that inventory could not keep up with, which in turn increased property values to what they did. I urge you to please take all of these facts into consideration and at least implement regulations that are more fair in respect to the appraiser's compensation.

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