

From: David Burns
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Chairman Ben S. Bernanke Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue, Northwest Washington, DC 20051 Dear Chairman Bernanke, I am a State Certified Residential Appraiser in South XXXX. I have been appraising for 11.5 years. Having been forced to work with AMC's, my income has been reduced to a third. In my microclimate the HVCC created 3 unemployed people. My office manager, I had to let go, and the three appraiser trainees I had (a sad story for each, time invested, money invested etc). One was able to find a job in retail, the others are on food stamps and looking for anything they can. Even when I have files, I cannot assign them to the trainees, as the AMCs do not accept trainee reports. My first concern is that AMCs will not permit trainees to complete any files. This will eventually ruin the industry, as there will be no way for a trainee to complete his or her required hours in the field. The AMCs need to pay a customary fee to the supervisor appraisers and allow trainees to learn. The reduced fee makes it impossible to train someone since splitting 200.00, cuts the Certified appraisers income even further. The AMCs should be directed, not to place restrictive practices on an industry that requires trainees to work in the field. If the State says they are qualified than the AMC should not dispute it and disallow an entire section of our industries members. Some AMCs require a minimum # of years exp. to be on their panel, again if the State says a person is qualified, the AMCs should not be permitted to impose additional restrictions or requirements to be eligible for work. My second concern is the language now used in regards to payment terms. Some AMC's require 48 hour turn around time and then want to wait 45, 60, 90 days to pay the appraiser. One AMC has it on their website, that all files need to "age" 45 days before being eligible to enter the billing system (I still am not sure why it needs to age). It has been customary practices for the banks and lenders to collect up front for appraisal fees. Prior to the HVCC, the majority of customers either paid at the door or before appraisal submission. I feel that in

addition to the customary and reasonable fee language, that AMC's should not be allowed to hold payment beyond thirty days. Since fees are collected up front in most transactions, the AMC's that take extended periods to pay are just taking advantage of the situation. Not allowing the borrower or the broker to pay the appraiser is a detriment to the industry. I have had AMC's take 5-6 months to pay, and not pay at all. The AMC's need to be told a specific time frame in which an appraiser is to be paid. A time frame that was customary and reasonable to the appraisal business prior the HVCC. My third concern is that AMC's, under the HVCC, could not remove an appraiser from an approved list without written notice of the violation (Blacklisting). However, even if this language is adopted by the new rules, the AMC's have ways around this. The banks themselves maintain a "Blacklist of Appraisers" They simply stop assigning files to the appraiser who will not "play ball". He or she may still be in the system, not removed, but receive no orders. If AMC's are going to exist in the role they currently play, they should not be permitted to stop appraisers from receiving files without written explanation. Not just removal from the list. If the banks will be required to report misconduct of appraisers, then the State will determine the needed action. The banks and lenders should only be allowed to remove someone after State or Federal discipline. Blacklisting is also a major contributor to our industry problems, you see, it is a double edge sword.. Blacklisting practices appear to be removing appraisers who break the law or provided substandard work, however blacklisting can also be used to remove good appraisers who won't be intimidated or pressured into "playing ball". In the 18 months since the HVCC, I have been removed from 3 AMC's for not doing what they wanted instead of what was right. I have never received any written explanation or notice of removal. Orders simply stopped. When I inquired on multiple occasions, I got several different excuses, low volume, bad economy, no orders in your area, etc. All the while knowing other appraisers in the area were getting work from the AMC's in question. My fourth concern is brokers, loan officers etc, being able to order appraisals. These are the people that need the product. These are the relationships it took years to build and were severed by the HVCC. Since the laws now exist and are also being written to prevent coercion and influencing of appraisers. Loan officers and brokers, should be allowed to order the products they need directly from the appraiser and would be bound by State and Federal Law not to coerce and influence. Therefore with sufficient laws in place, the need for a third party ordering system becomes moot. My final concern is the Customary and Reasonable fees. I feel that the VA fee panel is acceptable for my area as a benchmark. More complex files should be negotiated. If an AMC wants to guarantee a specific # of files per month and therefore negotiate a lower fee, that should be fine too as long as it is agreed that the AMC would pay for the total # of files agreed for the month. In other words, they can't negotiate a lower fee based on 20 files per month and then only pay for ten. I also think that total transparency to the consumer is needed. The consumer needs to know what they are paying for. I strongly feel that the appraisal fee and the AMC fee should be separated and shown on the HUD statement. I am pleased that finally legislation exists to prevent these AMC's from taking the majority of the appraisal fee and providing nothing in return except the destruction of an industry. It is my hope that laws are enacted and enforced to prevent the AMC's from dictating the process of an industry that pre HVCC survived very well without it. After all, it is, at the end of the day an AMC that started all of this. First American E-appraise it owned by the now defunct Washington Mutual. The AMC's and Lenders caused the problem and resulted in the HVCC. You have the chance to restore an industry

and prevent this from ever happening again by strongly regulating AMCs and returning the control back to the appraiser, to do his or her job the right way, not what is best suited to the lender's own AMC. In my opinion, I think the lenders should not be permitted to own an AMC at all. It is a direct conflict of interest in my opinion. A final suggestion would be to implement the Compliance date for fees as of Jan 1 2011, and allow the other provisions to be complied with by April 1 2011. I ask this on my own behalf, because my home is in foreclosure, and I don't know if I can survive this way until April. If the fees change soon I might make it. Thank you for all of your time and efforts in tackling a massive undertaking. I have faith you will do the right thing for the appraiser and the consumers, not TAVMA and the AMCs, whose own interests are securing the profits they have been taking from appraisers and consumers. Sincerely, David Burns