

From: Visser Appraisals, Ltd, Ken Visser
Subject: Regulation Z -- Truth in Lending

Comments:

To the committee

There are three primary causes for appraisal issues facing our economic recovery

1. AMC's are holding appraisers hostage as they set the fees they will pay, while the consumer does not reap any benefit.

Appraisal fees have gone up, yet only the AMC's which are owned and/or controlled by the country's largest lenders have profited. AMC's have become huge profit centers for the owners. This happens at the consumers and appraisers expense. After 35 years as an appraiser I understand that competition for my services drives the fees I can charge. The AMC's contracted payments to appraisers of as little as ½ the appraisal fee collected does not represent "normal and customary fees" and justifies for many appraisers the "right" to do the work commensurate with the fee paid. This, in itself, is cause for concern.

2. With arbitrary "guidelines" from Freddie and FNMA and the new 1004-C the entire appraisal process is contrived. These "guidelines" have become the entire basis for the appraisal escaping greater review by a real person. In other words, if an appraisal report meets all these guidelines, the appraisal runs through the system unchallenged. If a report misses on any single point, the report gets selected for review.

This erodes any confidence one can have in the resulting valuations. WE need to have a realistic basis for discerning the credibility of the valuation process.

3. We need to have qualified personnel who can review appraisal reports submitted. Many appraisers spend a great deal of time arguing their case with an underwriter who had no qualifications regarding valuation. The entire basis for their work is predicated on a checklist of compliance with these artificial guidelines. These people have a role, yet are ineffective if they do not carry the experiences and understanding of the appraisal process. The market is simply too imperfect to be constrained by these checkboxes to truly discover value.

I hope you will carefully consider this in your final ruling. Using the VA fee schedule is brilliant as it is already a market based fee schedule and unaffected by this drama

If you have any questions, comments or concerns,

you can contact me by email or phone

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