

From: Leading Edge Properties, Inc., Paul B. Claeysens
Subject: Regulation Z -- Truth in Lending

Comments:

To whom it may concern,

As a Real Estate Broker, I am responsible for my company being honest and being responsive to my agents and customers. I have been shocked with the lack of regulation in implementing the Dodd-Frank legislation. The opportunity for abuses is too great. Right off the bat, I observed the following:

1. A whole new industry was created of middlemen companies with a license to steal from their customers and permission to abuse our industry appraisers. This new business is too easy to get into, and needs regulation to stop the unintended abuses. The cost of an appraisal has risen dramatically, while the amount professional appraisers get paid has been pushed down. Why are we rewarding middlemen who contribute nothing to the accuracy or quality of appraisals, while abusing the very professionals we depend upon?
2. Appraisers MUST work through these "Taxi Stands", as I call them. There must be some regulation on them so that the service they provide is full, fair, a fair price, and responsible. A Taxi Stand is not a professional service, it is just a scheduling service, and should only be that, for a fixed and regulated fee.
3. Appraisers were getting paid adequately for their work, and were acting as professionals, whose license and personal business was on the line. Some appraisers were not being honest, and were "Selling" their appraisals, but we never saw it in our market. That must have been New York City, where anything you can get away with is OK. Well, the "Taxi Stands" are the ones are getting away with whatever they want in order to maximize their income. Customers and appraisers are suffering.
4. Now, the "Taxi Stands" are pushing down the price of an appraiser's work, making them into machines who are trying to get by with volume instead of quality. There should be a fixed amount that the Taxi Stands can take as an add-on in the appraisal fee charged to banks because it gets passed on directly to their customers, and there should be a minimum fee paid to appraisers, with a set schedule for add-ons.
5. The Taxi Stands have sent us appraisers who have no experience whatsoever with the local market they are appraising in. Neighborhoods are islands of value. Comparable sales must really be comparable. There should be a requirement that the appraiser live in the community they appraise, or have appraised there for a minimum amount of time to qualify. Good appraising is an art that requires local knowledge. New appraisers should be required to apprentice to local appraisers to qualify.

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