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Appraisers have been conducting and managing the appraisal process for many years without the need for a third party to "look over, handhold, and guide them through the process." It was not the failure of the processes established by the appraisal industry that caused the collapse of the credit system. The collapse was obviously a result of artificially low interest rates, high demand, lacks underwriting criteria and unscrupulous acts in all fields of the mortgage finance system. Although the blame was squarely placed on the appraisal industry as a whole, this notion is irresponsible and unwarranted. Independent fee appraisers have been able to manage their own business processes successfully from the beginning. Yes, as with many professions (especially mortgage finance), there are many who are easily blinded and corrupted by prospect of making easy money. However, this is not the norm in our industry. I would argue that most appraisers are interested in complying with USPAP and state laws and producing the best and most accurate appraisals possible using tried and true techniques. The laws of supply and demand have always governed our fee structure. The appraisal industry has always nurtured fair market practices when it came to "customary and reasonable" fees. In the overall scheme of fees charged to the borrower in mortgage finance transaction, the appraisal fee remains one of the lowest and the appraisal serves a very high function in the overall process. Recently, we (appraisers) were blamed, almost exclusively, for the financial collapse of the credit industry. We, as a whole, were accused of not being able to defend ourselves from coercion and corruption, implying that appraisers are only concerned with money and how much of it we can make. It took only the supreme knowledge and do-goodery of one state attorney general to implement the brilliant, end-all corruption solution known as HVCC. And the core of that solution was to hand over the appraiser's tried and true management power to a third party, middleman, who was mandated to operate as a buffer between weak willed appraisers (all of us) and the evil corporate giants who want only to over finance the world. Oh, by the way, let's

make the appraisers pay for this perfect solution. Let's let the middlemen (AMC's) determine what its "customary and reasonable" fee will be and take this portion from the appraiser's pocket. Let's not charge the lender/broker for this service. We cannot take from their meager (and well-regulated) earnings. Because, if the AMC charged the lender for its service they would have to prove their true value and compete for their fees in an open and competitive market. Instead, let's give the AMC supreme power and let them establish their fees and tell the appraiser, "take or leave it." To whom does this make sense? I, as an appraiser, fill out endless questionnaires regarding what I think my "customary and reasonable" fee should be. I, as an appraiser, am subject to more hoop jumping than a circus dog just to write a compliant appraisal report. None of this hoop jumping requires me to prepare a better appraisal report by the way! And for what, lower fees and less stature? Of course, there can be no corruption in an AMC. They are the perfect solution to the credit world's ills. It is fact that consumers are paying higher prices for appraisal services today. It is fact that appraisal quality is down. It is fact that appraisers are selected by price more often than for competence or quality. It is fact that if an appraiser asks for or publishes his/her full fee they do not get as much work if any at all. It is fact that appraiser's are required to fill out more forms, make more certifications and take on more liability than ever before. It is fact that it is harder to obtain a state license or certification. It is fact that appraisers are required to be highly educated and qualified. It is fact that appraisers are required to make redundant and unnecessary commentary in each report. It is fact that each AMC has their own set of redundant and unnecessary commentary that they require the appraiser to use in their reports. Most importantly, it is fact that the appraiser's share of his/her own fee has dropped precipitously. Let the appraiser do the job he/she was trained to do. Let the appraiser collect the fee that the market will bear. Let the appraiser self-govern his/her activities. Raise licensing fees so that state boards can work on USPAP and state law enforcement. Punish the poor performing and corrupt appraisers. Go beyond sanctions and put the fear of license revocation into the hearts of near-do-wells in our industry. Create stiffer penalties for those who wish to coerce and strong-arm appraisers for specific values. Let the appraisal industry develop and introduce new practices and valuation tools. Unbind our abilities from the structure of forms, hoops and hurdles that confine and manipulate opinions. AMC's will have us believe that they provide a valuable service. They will have us believe that we cannot do business without them. They will have us believe that they best know the value of our services. They will have us believe that they have a proven business model that they have perfected over the past 25 years. The fact is writers and purveyors of appraisal software and related products, etal, have developed all the necessary tools for the appraiser to effectively do what AMC's profess to do. With products currently available to the common appraiser, he/she can operate a network of appraisers, deliver an appraisal in any number formats including all lender required formats, can establish rule and format checks to ensure compatibility with specific lender guidelines, can have software review specific elements of appraisal reports for quality and compliance with applicable laws (USPAP requires this of all appraisers). In fact, AMC's have been around in some form or another for many years and they have been competing for our business ever since. However, over these many years they never acquired as much as the 70%+ of our business like they did with the implementation of HVCC. The way I see it; they could not compete with the local appraiser and were never going to gain more market share without a mandate. And who knows what their fee split with an appraiser was prior to HVCC? Moreover, lest we not forget that eAppraiseit (an AMC) and WAMU and their shenanigans, corruption and coercion scandals brought out the white knight in

the savior, Andrew Cuomo.