

From: Michael Shirley  
Subject: Regulation Z -- Truth in Lending

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Comments:

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Name: Michael Shirley W Shirley

Affiliation:

Category of Affiliation:

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PostalCode:

Comments:

To whom it may concern, December 22, 2010 I am an appraiser with 17 years experience. We take a great deal of pride in our reports. We have never had a complaint filed against our office; nor a claim against our E & O policy. We have built a strong client base built on service, trust and well researched work. We bill according to the complexity of the assignment and run our independent business with care. On May 1st 2009, many things changed. Appraisers were asked to: \*Give up their existing lender clients, regardless of the age of their business. \*Provide irresponsible turnaround regardless of the assignment. \*Do at least 50% more work (1004MC, more narrative, add 2-4 additional comps, etc). \*Surrender at least 50% of income to appraisal management companies. Consequently, we are required to do a longer more detailed report and must accept a lower fee. The AMC is not a service we want by choice. It is being forced upon us. They are using lobbying to pilfer our fees. The lenders should absorb the cost since it is to them who are the alleged transgressors. We are the responsible party and take the business risk. VA fees are somewhat reasonable, except VA reports requires less work to complete their reports. \*If you're going to force appraisers to give up their client base that some spent 40 years building...expect the appraiser to take assignments outside their region so they can feed their family. Allow to charge at the minimum the VA fees. It's not the appraiser causing the problem. It's the insane guidelines that appraisers are forced to follow (namely the revised HVCC). This is a letter I received from an AVM after sending them a market fee schedule. My fees were \$400 for a SFR and \$650 for a 2-4 small residential income report. This is typical in California. Keep in mind their maximum was 300 for a single family and 450 for 2-4 unit dwellings. Maximum: is code for typical market fee. Mr Shirley, We are in receipt of this, apparently you do not desire to participate in the Prospect Vendor panel as your fees are significantly above the maximum. The competitive fee section is available for vendors that feel they can provide a quality service at a lower fee than the maximum fees for a product. If you choose to revise your fees, we would be able to move forward

with your application for inclusion to the Prospect Mortgage vendor panel. Dear Sir, My fees in no way reflect my desire to participate. I started working as a trainee in December of 1993. My first assignment, along with other clerical duties was to help with the invoicing. Your rates were what were typical charges in the So Cal market back 15 years ago. 300 for SFR and 450 for 2-4 unit reports. This was 1993-94. Typical FHA rates are now 400-450. 2-4 units are 600-700. I specialize in 2-4 units and realize I charge more for unit because the quality and diligence of the craft. However, I did not know your company set a maximum, well below current market fees, for appraisal reports. This does appear to not follow the spirit of FHA guidelines. This is the first management company I have worked with who charges both the borrower and the appraiser a fee for work. In the past any processing fee was absorbed by the Lender. This is true with the rest of my current clients. Being part of the appraisal business I'm going to assume you understand these are not just assignments. They are a craft and very difficult in less experienced hands to pass lender scrutiny. This being said, I hope to find Prospect to part of yours and our future. I will give consideration on revising the fees and will respond in a timely manner. Have a good day. Sirs, I ask that reasonable fees not be influenced by the AMC nor the lobbying that is so tainted. At the very least the VA fee schedule is a responsible compensation to run my business in an independent and diligent manner. Sincerely, Michael Shirley;  
Licensed Appraiser California