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Comments:

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Comments:

Appraiser Independence/Dodd-Frank Bill I am a certified appraiser working in a rural area for the past 20 years. While I am not particularly politically motivated or involved in all aspects of the mortgage industry, I can only relate to you my own opinions and how the advent of the AMC's have impacted my small business. AMC's are totally unregulated and have put their own brand of pressure on appraisers with unreasonable contract requirements, unreasonable turn times, low fees and the threat of being black listed if their requirements are not met. I believe AMC's are motivated only to make a good profit for themselves (and many are owned by major mortgage institutions) without regard to standards of the quality of the appraisal, the fairness to the appraiser, or the cost to the consumer. My three major areas of concern are contract agreements, low fees and geographical competence. There are numerous AMC's who are adopting contract agreements with their appraisers requiring such onerous and biased clauses similar to one quoted from CoreLogic Valuation Services, LLC contract which states that the AMC shall "solely own all work, product, data, information and documentation gathered or generated by the appraiser." as well as indemnity clauses which state that the "appraiser shall defend, indemnify and hold harmless (the AMC)... from and against any and all claims, liability, losses, damages, expenses, costs and attorney fees..." I personally feel that I own my own work and that comes along with its own adherence to established guidelines, procedures, and regulations through the Uniform Standards of Professional Practice (USPAP) as well as the liabilities for non-compliance. The appraiser and the AMC should each have standards and liabilities and should not have to compromise either to assume work. My EÖinsurance company has warned me not to sign these types of agreements, as they may jeopardize my coverage. These kinds of clauses should not be allowed. I am unable to communicate with my previously long time mortgage customers such as PNC Bank, Wells Fargo, Bank of America, etc. and only get work from these customers now through an AMC which takes 30 to 40% of my previously established

fees. I make less money per appraisal now than I did 10 years ago. AMC's will not allow posting of your individual fee, they set the fee. I have tried many times to increase my fees with an AMC called Rels Valuation on numerous occasions only to be consistently denied and warned that I "might prefer to be removed from their panel" if I decline orders based on fee. These strong-arm tactics should not be allowed. One of the provisions in H.R.4173 requires instituting payment of "customary and reasonable fees" to appraisers based on government agency fee schedules and independent surveys that exclude appraisal orders from known appraisal management companies. To this end, I believe that sufficient data is readily available not only through recent internet surveys taken by reputable sources such as Working RE Magazine, but through the VA, HUD-1 settlement statements and companies such as Mercury Network by alamode (www.mercuryvmp.com) which publishes the Appraisal Fee Reference to establish customary and reasonable fees. Additionally, Mercury Network only charges \$13.75 per order for their services and is structured to allow competition with appraisers setting up their own fees and profiles. Ultimately, it is this type of competitive system that should be adopted by AMC's. I also feel that the HUD-1 settlement statement should be revised to show the appraisal fee and a separate appraisal management fee. Why hide this information from the public? AMC's require unusually tight turn times, which coupled with low fees, in my opinion, lowers the quality of the appraisal. The more competent, experienced appraisers cannot invest the time it takes to produce a quality product with short time restrictions and little or minimum wage profits involved. Particularly in a rural area, that means the work will be done by those who are less geographically competent and far less experienced in the local market. AMC's are hiring appraisers desperate for work who are traveling 100 to 200+ miles when local appraisers are unwilling to accept the low fees offered. Provisions should be adopted that AMC's place a high priority on geographical competence, not the lowest fee. In short, I can personally attest to the fact that over the past few years that AMC's have been in control, I have seen a decrease of 30% in my income, I am unable to build a local clientele base, and I have been denied the right to fair competition and free enterprise. This is still the USA right? Or am I just dreaming? To reiterate, I would hope that:

1. Contracts between AMC's and appraisers not compromise the appraiser's ownership of their work or bind them to unfair indemnity clauses.
2. Customary and reasonable fees are instituted by research with VA, HUD-1 settlement statements, surveys like those gathered by Working RE Magazine, nationwide data obtained by independent companies such as Mercury Network's Appraisal Fee Reference. Or a system of fair competition between appraisers such as the one used by the Mercury Network is instituted.
3. Geographical competence of the appraiser is given high priority in assigning work through an AMC to better insure appraisal quality.