

From: Lori K. Townsend
Subject: Regulation Z -- Truth in Lending

Comments:

Date: Dec 23, 2010

Proposal: Regulation Z - Truth In Lending Act
Document ID: R-1394
Document Version: 1
Release Date: 10/18/2010
Name: lori K Townsend
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country:
Zip:
PostalCode:

Comments:

I have always been challenged by the response of politicians to the issues surrounding the housing crisis. The White House and the Fed have spent \$3.3 trillion in giveaways to pay for the bonuses and to cover the fraud of the megabankers. People who have never lost a moment of sleep or a penny from their pockets and who have maintained their profitability every single day while they were supposed to be in financial distress. But instead of confronting the banks - Cuomo and his ilk has chosen to attack the small independent business person - the appraiser. Despite their being no evidence - direct or indirect of nationwide fraud similar to banks - appraisers are being treated as criminals. Cuomo and ilk at the FHA (also a recipient of the White House bailout to maintain their paychecks) have created a maze of regulation that has crippled the property valuation business to no purpose other than to insure that the banks continue their practices with the cover of "the government is making us do it". These regulations have created massive business disruption, increased costs for the consumer, created new bureaucracy, lowered fees for the service provider while increasing costs, disenfranchised service providers by License, regardless of experience or capability and the list goes on. As a normal small service business person you rely on referrals to grow your business - this has been destroyed and although I have been in the business nearly 20 years- I cannot talk to any of my business contacts - what other business has this ever been done too? The AMC construct has been put in place to dole out work and strip fees from the appraiser resulting in lower quality, and smaller fees. Literally I am making what I made for doing more work than in the 90s. My fees, which I formally received directly like a plumber or electrician now are cut by 50% or more. and I forced to wait a minimum of 60 days to receive any money, if I do. I must float my business on 50% less money for months while my costs increase - why? And the big insult on top of this - the megabanks who created this problem are now making their own AMCs to strip even more money for themselves. Every aspect of these laws is designed to

create a burden on the small business and greater costs for the borrower and reward the lender. Even something simple as AR and AL. What makes someone who takes test a better appraiser than someone else] I have been doing this for nearly 20 years as an AL, manages teams of appraisers, etc. and all of a sudden my work is no longer any good and someone with less experience and credentials is valued more? The best solution is the simplest as always - go back to the processes that were in place before the HVCC. The only people in this market that find these new regulations worthwhile are the banks and federal institutions trying to cover themselves for their past mistakes. Eliminate AMCs, let normal business relationships come back into play with traditional market based fees, allow experienced appraisers of whatever license do their jobs and what you will find is higher quality, faster turnaround, fewer errors and a more efficient process that is responsive to market (lender and Borrower alike).