

From: Mark Mathewson
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
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December 22, 2010 Chairman Ben S. Bernanke Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue North west Washington, DC 20551 RE: Implementation of Reasonable & Customary Fees for Appraisers Dear Mister Bernanke, I am writing you to express concern on the issue of "reasonable and customary" fees for appraisers. As an appraiser with over 24 years in the appraisal business, I am extremely disappointed with what appraisal management companies have done to this industry and to the consumer. It has become increasingly difficult to earn a living to support oneself with the appraisal fees that are being offered. It is my opinion that AMC's have set fees through collusion and greed. They did not and do not compete in the open market. They have gained their position in the industry through intimidation and threats towards appraisers, in my opinion. If you don't work for very low fees and turn times that don't adequately allow a reasonable and appropriate time frame to complete an assignment with the appropriate due diligence, they will not send you business. So in an effort to make a less than standard living wage, many appraiser's have had no choice but to work for less fees. It is my experience that AMC's are retaining half, or more, of the fees paid by consumers for essentially very little involvement of the whole appraisal process. Many good appraisers have left the business over the past few years pursuing a better way to provide for an adequate living wage. Many appraisers I know have had to fire support staff in an effort to simply stay in business. AMC's have created an environment where new, inexperienced appraisers are completing most of their appraisal assignments. Hence, the appraisal product is lacking the good judgment and knowledge of appraisers with considerable experience in the field. Due to this fact the process starts all over again with inexperienced appraisers completing appraisal work that over time could perpetuate the valuation issues that got the banking industry into the situation it currently finds itself in. I am very aware that TAVMA is fighting extremely

hard to reduce fees for appraisals and appraisers, and they have a loud voice and lobby group. I urge you to consider the following when deciding what is reasonable and customary. First, VA and FHA already have a base-line for what is reasonable and customary in every geographical area and their fees are reasonable and customary, in my opinion. Secondly, there are several entities that are conducting broad surveys, such as workingre.com and alamode software. If you review either of these sources, you will clearly see that what AMC's promote as a "reasonable and customary" fee is not at all accurate or appropriate and has not been determined by the market. The results are what appraisers, in their experience, determine what is reasonable and customary. I appreciate your consideration in this matter. I know that TAVMA is working hard to promote their self-interest. While appraisers may not have as loud of a voice as TAVMA, we do need your help and appreciate your assistance in preserving our profession, and ensuring that good, experienced appraisers are able to stay in business and provide accurate property valuations for the consumer. Thank you for your time and consideration with this matter and in doing what is best for the consumer (not getting charged extraordinary fee by the AMS's) and what is best for appraiser's (being able to earn a decent living wage). Sincerely, Mark Mathewson