

From: Anonymous  
Subject: Regulation Z -- Truth in Lending

---

Comments:

Date: Dec 26, 2010

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

Comments:

Appraiser's have been "victimized" by forcing us to have to accept AMC work at half of our normal fees or not work at all. AMC's are not the "honest broker" in the Lender-Borrower-Appraiser relationship. The AMC's exist to favor their banking clients. As they continue to compete against other AMC's for major bank business, all they can offer to entice the bank to give them their business is added detail and work that must be performed by the appraiser without paying any additional compensation. For example, appraisers receiving orders from LSI will be told that BANK OF AMERICA has specific Client requirements for Five Comparable Sales for every order. This is in excess of the three typically required by Fannie Mae guidelines. The five comparables are not really a "client requirement" but are an SLA (service level agreement) condition by which LSI won the business from BOA. I know this because I get orders for BOA from another AMC where the standard three (minimum) comps are acceptable. This situation is known as "SCOPE CREEP" as in a slow, continuing process of expanding the work to be performed in an appraisal as defined in the Scope of Work. Appraisers are left with two choices: Refuse and receive no further work or accept it and agree to increase the time and cost of the appraiser's work for each appraisal which results in making less money. AMC's will claim that they provide appraiser's with a "valuable service" by reviewing appraisals for accuracy, etc. That is not true. Appraiser's do not have a choice. If the AMC believes that they provide appraiser's with a service, then the Appraiser should be able to obtain those services on a competitive basis. The SOLUTION is to uncouple the AMC from the Appraiser's Fee. AMC's should be limited to either a fixed fee or a maximum of 10% of the Appraisal Fee for "appraisal review" services. AMC's are a service company that should not be allowed to profit from the services provided by the Appraiser to a Lender. They are entitled to a reasonable fee paid by the Appraiser for services provided to the Appraiser by the AMC. However, the Appraiser should be free to "shop" for those services from other AMC's as a way of keeping fees fair by allowing for competition for the Appraiser's business. The way it is

now, it's a rigged game against the appraiser because the AMC can direct the flow of work to those Appraisers willing to accept the lowest fees.