

Lori L. Schuster

From: [REDACTED]
Sent: Tuesday, January 2, 2018 11:54 AM
To: webmaster@asc.gov
Subject: Appraisal Subcommittee temporary waiver request response - [REDACTED]

Dear Mr. Park,

Thank you for allowing me to comment on the temporary appraisal waivers request made by two banking institutions.

I am a North Carolina State Certified Residential Appraiser who has been appraising full time since 2003. In my opinion, the request for waivers will have an affect on both the housing and the mortgage industry. The waiver is requested based on the claim of an "appraiser shortage".

Prior to the 2008 recession, I owned a small firm with appraisers and support staff. Post Recession and after the implementation of AMC's, my ability to run a small firm that had both appraisers and trainees no longer existed. It is not possible to work for many of the AMC's due to fee splits and "scope of work creep" that they have added to the process. In my market, I do not work for several of the countries largest lenders due to the AMC's who handle their appraisal work. This is common with many of my peers as well as appraisers that I meet and network with in other parts of the country. There is not an appraiser shortage as much as there is a decision not to work for the AMC's.

Allowing the waiver will ultimately remove the unbiased, third party appraiser from the mortgage transaction. This is part of a bigger decision that would reverse the modern era rules set in place by legislation to protect consumers and the housing industry as a whole.

Prior to the recession, several initiatives we started to expand and add additional professionalism and competency (four year degree, additional training/apprenticeship) to our industry with the idea that we would be more similar to other professional service providers (Accountants, Attorneys). The AMC model which was implemented in good faith to deal with issues from the recession/housing crisis has inadvertently created the "appraisal shortage" that is being discussed today. A longer term solution to the issue would be removing the AMC model to allow appraiser to earn the full fee being paid (by the consumer) for an appraisal. This would make the appraisal profession more compelling to jobseekers thinking of new professions or careers. It would also allow appraisers to hire and train new appraisers to keep up with the needs of our growing population and the growth in the housing/mortgage industry. At this time, I do not have the work to hire a trainee or other appraisers since I have decided not to work for some of the AMC's which obviously limits appraisal volume. It is not possible to hire and pay a trainee or other appraiser when the AMC is taking many times more than half of the consumer paid appraisal fee.

The request for waivers to deal with appraiser shortages in parts of the country are just a symptom of the AMC business model. The lack of appraisers in some cases is a business decision that appraisers have made by deciding to not work for reduced fees and deal with unreasonable request from a "middle man" (AMC) which makes running a business unsustainable. From the field, the problem looks very different than it is outlined in the letters to you.

Thank you for allowing me to comment on this important issue.

Sincerely,

[REDACTED]