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Date: January 3, 2018 at 10:57:12 PM EST
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Subject: Regarding 'Temporary Appraisal Waiver'

Hello,

I am writing in regards to the following issue: Section 1119(b) of Title XI (12 U.S.C. 3348(b)) allows the ASC, subject to concurrence of the FFIEC, to temporarily waive certification or licensing requirements when, in a particular area:

1. there is a scarcity of appraisers; and
2. the scarcity is leading to significant delays in appraisal services for federally related transactions (FRTs).

The problem I have with this request is that there is no definition of 'scarcity' or 'significant delays'. Since the passing of the Home Value Code of Conduct (HVCC) almost ten years ago, which started the rise of appraisal management companies (AMC's), there has been a parasitical relationship between the independent appraiser and the AMC. The AMC's business model was profit-driven. The lender would hire an AMC, and the AMC would look for the best possible way they could enjoy maximum profit. That would mean they would look for the cheapest and quickest appraiser to fulfill the appraisal order. This was accomplished due to the downturn of the economy which resulted in a lack of sales transactions in the market (supply and demand).

Thankfully, the HVCC was sunsetted (as it caused more harm than good to the lending community and public trust, while not even remotely solve any relevant lending/appraiser issues). However, lending institutions have been slow to wean themselves of the unnecessary AMC middle-man parasite, and instead should go back to hiring independent appraisals on their own. If they did this, they would realize that there is no 'scarcity' of appraisers, only a lack of appraisers who will work for low fees. The lenders are being fed biased information from AMC's who cannot hire appraisers willing to work for minimal fees. Basically, appraisers do not want to work for AMC's anymore.

Here are basically the two scenarios:

Lender Appraisal Fee: \$500	Lender Appraisal Fee: \$500
Less AMC Profit: <u>\$150</u>	No Middle Man Fee: <u>\$ 0</u>
Net fee to Appraiser: \$350	Net fee to Appraiser: \$500

As an independent appraiser, which would you choose? Maybe the old adage of 'you get what you pay for' is relevant to the quality of each of those appraisals?

The lenders have the ability to recreate the good, honest business relationship with independent appraisers they originally had - one that is built on trust, integrity and professionalism. This is the key to quality appraisals and timeliness.

As for a temporary waiver of appraisal requirements....that would be the undoing of the only reason appraisers are deemed necessary - The Public Trust. Not having a professional, educated, independent, licensed, non-biased opinion of value when it comes to a lending decision based on risk, all in the name of timing delays makes absolutely no sense.

However, if it is somehow determined that appraisals and appraisers are no longer necessary in the future, I will finally get to open up my bait and tackle shop in the beautiful mountains of Idaho. Happy New Year and God Bless America.

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