Reference: Docket ID OCC-2014-0002

Department of the Treasury – Board of Governors of the Federal Reserve System – Federal Deposit Insurance Corporation (FDIC) – Bureau of Consumer Financial Protection – Federal Housing Financing Agency (FHFA), along with the Office of the Comptroller of the Currency, Treasury (OCC) and National Credit Union Administration (NCUA); (collectively, the Agencies) have "jointly" proposed the rule to implement requirements in section 1473 of the Dodd Frank Reform and Consumer Protection Act to be applied by states in the registration and supervision of Appraisal Management Companies (AMC's).

First and most obvious; the word federal pops up her many time within this list of "agencies" that have banded together and mystically, with very little knowledge to those affected by their decisions, written and passed legislation which will soon unsympathetically affect and possibly even terminate the livelihood of the very people it was specifically written to protect, the residential real estate appraiser.

I concur with a requirement for AMC registration within states in which they desire to operate. I also agree that that states ensure said AMCs are monitored to ensure only properly licensed or certified appraisers are engaged, and that those appraisers are completing appraisals in accordance with the rules and regulations expected, including the standards within the Uniform Standards of Professional Appraisal Practice (USPAP). And I agree that states should monitor and insure appraisals are conducted in accordance with the statutory appraisal independence standards under the Truth in Lending Act (TILA) (15 U.S.C. 1639e) and implementing regulations relieving appraisers of undue pressure to arrive at a predefined value through complete appraiser independence.

Now this is what makes no sense. Section 1124 does not compel a State to establish an AMC registration and supervision program, nor is there a penalty imposed on a State that does not establish a regulatory structure for AMCs within 36 months of issuance of the final AMC rule. Yet if the state does not do so, AMC's are barred from providing federally related transactions from that state.

So it would be my guess that; if the AMC desires to operate in a state, said AMC surely wants financial institutions conducting federally insured transactions as clientele. Therefore, every state should have a registration/supervision program and the "Agencies" should make this a requirement. This solves the problem of a state not having a program, period!

With every state responsible for AMC registration/supervision, it becomes a state responsibility. Since the "Agencies" are providing minimum requirements to be imposed by the states, the problem of uniformity is solved.

So why on earth do AMC's then need to be on a "National" register AND pay additional fees to be on said register? Seems to me that this is a huge "double whammy" for the AMC's that already pay fees to each state in which they register.

All AMC's on said "National" register are "required" to pay a fee of not less than $25 and not more than $50 within a given year, for AMC's that oversee an appraiser panel of more than 15 state-certified or state-licensed appraisers in "a" state or 25 or more state-certified or state-licensed appraisers in two or more states.

Does anyone with god given sense realize just how stupid this is? Did anyone think of how many counties states have? How many appraisers one AMC would have to have in a given state to cover each county and demographically different area within the state (and still meet reasonable turn times so sales contracts don't have to be extended and rate locks are not lost)! Has anyone thought about how many states some AMC's operate in? Some operate in all states! So if an AMC operates in 50 states, has 500 appraisers per state (likely the minimum to cover every county within an average sized state), and they pay $25 per appraiser, their annual bill is $12,500 for that state. If they operate in 50 states, that AMC will have to pay $625,000 annually. If only 250 of the 500 to 600 or more AMC's operating out there had the above number of appraisers working in 50 states, the governing "national agency collecting these fees is pulling in $156,250,000 (per year). NOW I ASK; WHERE DO YOU THINK THAT MONEY IS GOING TO COME FROM? I guarantee the AMC's are not going to just hand over their profits; profits that are already coming out of the pockets of appraisers! No Sir! Those fees will again come right out of appraisers pockets! And; "WHERE" is that sum of "NEW" revenue going and how is it going to be spent? I speculate it will not be used to benefit the boots on the ground (that being the appraiser struggling to make a living day by day)!

Of course the above scenario is at $25 per appraiser. A higher fee would drive the already ridicules to a point of absolute criminal.

With that said, I refer you back to paragraph 2 and ask you how this protects appraisers?

I will continue with commentary regarding reasonable and customary, since it is directly related to the above discussion.

Reasonable and customary fees have been the biggest issue since the institution of both HVCC and Dodd-Frank! Has anyone sat down and counted the number of "good" appraisers and appraisal companies have left the business because they could no longer pay their mortgages, their bills, and still feed their families? Does anyone within the "Agencies" even give a crap?

So my next question regarding this is; why has no agency within the "Agencies" determined and published a standard for reasonable and customary fees? It can't be that tough. VA has had a standard for years! And why are there still loop holes in this discussion within Dodd-Frank that allows AMC's to continue to solicit appraisers and offer them fees that are so low, they do nothing more than generate poor appraisals?

There are still AMC's out there assigning appraisals to appraisers whom are willing to accept $175 to $250 for appraisal assignments that should be paying $400 to $500! These appraisers are accepting these assignments and cramming in 3, 4, and 5 appraisals a day, doing "assembly line" reports, which are no more accurate than asking my granddaughter what someone's home is worth! As an appraiser that does reviews, I have seen horrific work with no due diligence and LENDERS ARE LENDING ON THESE PITIFUL EXCUSES OF APPRAISAL WORK "EVERY DAY"!

"Agencies", when reasonable and customary fees gets fixed, AMC's will not be able to "fish" for the lowest fee (remember, they keep the difference). AMC's will then be forced to "spread the wealth" and "good" appraisers being shunned by AMC's because they demand reasonable and customary fees will be providing "good" appraisals and the appraisers currently doing less than adequate appraisal work will either have to start providing creditable reports or go away!

Yet another problem solved!

The bottom line here is that while HVCC and Dodd-Frank were developed to protect the process of acquiring home loan financing and appraisal independence, all it has realty done for appraisers is put them out of business or lowered their fees to a point that the might as well be out of business. Point in fact; 1,150 appraisers have left the business in the state of Washington since this all started. That is a 27.8% loss in this industry in one state alone. And it my understanding that there are states with much higher losses.

To add insult to injury, the number of people desiring to get into this industry has plummeted to a level that at some point will lead to total depletion of appraiser's altogether. At that point I guess the banks will utilize platforms like Zillow and their AVM's to value homes, which will surely will cause another meltdown. There is nothing better than boots on the ground and eyes on the subject! Assessor's records and Realtors account for GLA and GBA are the worst! I have found them to be inaccurate 95% of the time. 20% of the time the differences are enough to impact both marketability and value! Yet without boots on the ground, no one would know and the banks would just lend away!!

And who would want to become an appraiser after December 2014? Here's the scenario for the appraiser trainee of the future. He/she attends collage for 4 years and during that period of higher education, acquires unpaid school loans to the tune of $10,000 to $20,000 or higher. They graduate collage and decide to become a state certified real estate appraiser. They then have to acquire all of the state required courses at a cost of around $2,000. Once they have completed the required hours of hours they then have to find a certified appraiser to take them in as a trainee (this alone will be difficult). They then have to purchase the necessary equipment, software, dress attire, license, and insurance to conduct appraisals, which will cost an additional $1,000 or more. Then they will have to spend two (2) years as a trainee receiving an initial fee split of 40/60 (they get 40).

Now I would ask: What collage graduate is going to work for $100 a day? Additionally, if they only get one assignment in a week, that is $100 for the week! Long gone are the days of completing an assignment a day! To complete an appraisal with complete due diligence in today's world requires at least 2 days. So if they are lucky enough to get and complete 3 assignments in a week (a 6 day work week), they will make $300 a week.

Of course this scenario is based on the lowball fees of $250 which a large number of AMC's are still recruiting in order to receive an order. If you bump the fee up to something more reasonable and customary, say $400, they would receive $160 per assignment. They are still under $500 a week if completing 3 assignments. Granted the fee split gets better as time goes on, but not good enough to relieve their debt load! Bottom Line is a collage graduate with collage loan debt and a family would not survive in this industry as a trainee for two years! And if they used the education they paid for when looking at the numbers, they surly would see the light and RUN!!!

So in closing I have to say, the "Agencies" need to take a good hard look at how all of the things incorporated to improve the process, protect the consumer, and protect the appraiser and the appraisal profession, have done nothing more than slow down the appraisal process, put consumers in danger of receiving poorly written appraisals with little to no due diligence, put appraisers whom are following the rules out of business, and set up a system in which no one in their right mind would consider obtaining training or certification.

So I have to ask: HOW HAS HVCC and DODD FRANK HEPLED THE APPRAISAL PROFSSION, THE PROFESSIONALS WITHIN THE PROFESSION, OR THE CONSUMER?

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