

01/14/2008 01:02:03 PM

Subject: Regulation Z

Date: Jan 14, 2008

Proposal: Regulation Z - Truth in Lending

Document ID: R-1305

Document
Version: 1

Release Date: 12/18/2007

Name: Terrel L Shields

Affiliation:

Category of
Affiliation: Commercial

Address:

City: Siloam Springs

State: AR

Country: UNITED STATES

Zip: 72761

PostalCode:

Comments:

Most attempts to prevent lenders and mortgage brokers from pressuring appraisers still allow a broker to suggest or offer additional "comps" or evidence after the report is submitted. This unnecessarily burdens the appraiser. The appraiser has to defend their report and that in itself is a subtle form of pressure. "Bring home the Bacon" and we won't annoy you with additional requests for more comps, etc. Other forms of subtle pressure exist. I received a letter from a local mortgage banker, Metropolitan National Bank of Rogers, Ar, urging I donate an appraisal fee towards a group who are trying to jazz up the local real estate market by countering what they call the "constant negativity" of the press. As an appraiser, I feel like this would be holding a gun to my head if I were one of their appraisers. Either play ball with us or we'll bean you on the head with the bat. Luckily, I don't work for this bank, but I would hate to feel pressured by a banker over this issue...especially since I disagree with the very concept of it. One other comment on the letter. It referred to me directly as an appraiser, and called me one of their "business partners". The appraiser has to maintain the role of a disinterested third party and cannot be considered a "partner" to the bank. I feel like the lending institutions however view appraisers not as a firewall against undervaluing collateral but as a partner who will rubber stamp the deal. An appraisal is not an important document for determining the risk of

lending, but rather is seen as a compliance document. A problem to be surmounted, not a tool to make a decision with. Until appraisers can be given true independence, more like bank examiners rather than hapless peons to be stepped upon, will banks not pressure appraisers. The proposal is more a 'feel good' proposal than anything with teeth. The appraiser should be given the status of an officer of the courts or the treasury. Their estimates should not be disputable. If there is a question then that's the purpose of a review appraisal or second opinion. After all, these are only opinions, not 'truths'.
