

From: JACK SCHLENK [mailto:jack127@worldnet.att.net]
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To: Comments
Subject: Appraisal

Please explain what are the check and balances in an appraisal report. The appraiser is chosen by the lender. USPAP works if the appraiser is compliant, honest, and competent

The appraisal report is a opinion of value.

On a \$300,000 sale with a 3%+/- deviation that could be \$9,000, above or below the market value. The value opinion could be \$291,000, or \$309,000 and both value opinions could be reasonable based on the interpretation of the market data by the appraiser(s).

Two appraisals would make both appraisers compliant, honest, and competent.

What would the foreclosure rate be now if there had been two appraisals for each mortgage transaction in the past 8 years.

Costs, 2nd appraisal average \$400, on a \$300,000 sale.

Foreclosure average cost on a \$300,000 mortgage averages 35%, (\$105,000). SAVING ONE FORECLOSURE, is the cost of 263 second appraisals. Save 1000 foreclosures would equal 263,000 second appraisals.

The system of rules and regulations only works with a checks and balances system to support system of rules.

FIRREA did not work based on the present numbers of the Mortgage foreclosures.

The appraisal is only one part of the loan process, but with out an appraisal the loan can not close.

Two appraisals will help solve the value opinion problem read Jack Schlenk Blog, Appraisal Value or Market Value sales price, and Mortgage Fraud.

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