

From: Elisabeth Bernhart-Chatfelter <[REDACTED]>
Sent: Thursday, December 06, 2018 9:52 PM
To: Comments
Subject: FDIC RIN 3064-AE87 Real Estate Appraisals

Hello,

I have been a Real Estate Appraiser for 34-years these are my comments on the proposed increase of the threshold level at or below which appraisals would not be required for residential real estate related transactions from \$250,000 to \$400,000.

I am going to briefly mention my own personal history first.

In 1991 when licensing was brought about to gain public trust, I had already been appraising since 1984. I became licensed and worked until the major changes occurred in 2008. At that point, the AMC companies became involved to bring *less conflict of interest* between lenders and appraiser. I adapted but my former clients and wages were both reduced and/or eliminated. I was forced to work great distances, AMCs would encourage bidding to the lowest appraiser who could get the job done fastest, and many appraisers left the industry. I have remained nimble, am still a Certified Real Estate Appraiser, and have since acquired three or four very good clients, comprised of direct lenders and a few AMCs that are trustworthy. At some point around 2012 I was finally earning enough to remove myself and my children from a very bad marriage and into a safe home. I have worked hard and been able to put them half-way through college, and pay my bills on time. Appraising has allowed me to tend to my children while also having a very good career. I love my job and try to always do what is right over what is convenient.

To that effect, upon reading the the proposal I am wondering why I have tried so hard to remain the only objective voice in real estate transactions, when it appears that soon a random person will do an "evaluation" without ANY objectivity? This will not reduce burden, as mentioned, but create confusion and is not in the public's interest. An appraisal fee is one of the lowest fees a borrower incurs during a purchase or refinance.

Changing Title XI to using an evaluation that is sufficient "**to support**" the financial institution's decision already sounds like a conflict of interest. My job, as an objective appraiser, is not to engage for the purpose of supporting a contract price, or any other predetermined number.

Regarding the, "Cost and burden of an appraisal - which is passed on to the consumer and can delay the closing of a transaction when the appraiser cannot complete the appraisal on the preferred schedule and increase the consumer cost." - if a consumer cannot afford the still very reasonable fee of \$350 to \$400 for an objective opinion, he or she should not be purchasing a home. The AMC companies take approximately 20% to 30% of our fees, which is an entirely different issue, but the time schedules that most appraisers work with are extremely fast and flexible. I work evenings, all weekends, and holidays to help out those who have complicated work schedules. I meet with brokers when they are available, and like most appraisers I finish reports in a very timely manner.

Saying that a consumer can purchase an appraisal on their own is not likely as the appraisal clearly wouldn't have the same weight in determining a purchase price if not ordered by a lender. Countless

times my appraisals have not agreed with the purchase price and weeks later I am asked to do an addendum to acknowledge that the seller and buyer negotiated or reduced the purchase price. This would not happen if an appraisal was not necessary.

In the last five years, many brokers are raising purchase prices to allow borrowers to receive "concessions" sometimes upwards of \$8,000 to \$10,000. When a computer algorithm sees a sales price it does not factor in the amount of a concession. The concession is typically used to pay a borrower's closing costs, etc., however the seller is receiving less than the purchase price indicates. This is another reason that an evaluation, or even an AVM, is not able to comprehend what a trained appraiser can. An evaluation that is not in-depth, or a computer generated module, will mislead the public if this amount is routinely ignored.

To say that an evaluation will provide an estimate of the market value of real estate but is not subject to the same requirements as a Title XI appraisal sounds as though an evaluation will waste the consumers money. To target the appraisals as being burdensome and slow, and replacing it with a evaluation that will be quick and fast, is **NOT CONSISTENT WITH SAFE AND SOUND BANKING PRACTICES**. To leave it to the institutions to make "prudent decisions" of "how and when" is what has lead to disaster for consumers in the past.

Finally, It should also be noted that many lender appraisal departments and appraisers are women and mothers. I am one of them. This alone is an important factor and should not be overlooked. One of my best clients is made up of approximately fifteen very qualified women who run the entire appraisal department, and run it well.

Please consider my opinions.

Thank you.

Elisabeth Bernhart

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