

July 8, 2016

James Park
Executive Director Appraisal Subcommittee
1401 H St NW
Suite 760
Washington DC 20005

RE: Docket AS16-06, Appraisal Subcommittee; Notice of Proposed Rulemaking to Implement the Collection and Transmission of Annual AMC registry Fees.

Dear Mr. Park:

The Illinois Coalition of Appraisal Professionals (ICAP) was established in 1994 to be a unified voice for real estate appraisers in the state of Illinois. On behalf of our 1,500 members, we appreciate this opportunity to comment on the proposed rulemaking to implement the collection and transmission of annual AMC registry fees.

As you know, the Dodd-Frank Wall Street Reform and Consumer Protection Act established requirements for appraisal independence including the payment of a reasonable and customary compensation to real estate appraisers. Despite this, some Appraisal Management Companies (AMC's) are still charging excessive surcharges prohibiting appraisers from being paid a reasonable and customary fee.

AMC's are inappropriately requiring appraisers to pay fees as a prerequisite to being added to an appraiser panel, and as prerequisites to receiving orders. These surcharges are being deducted from the mandatory minimum customary and reasonable fees paid to appraisers to pay for expenses incurred solely by the appraisal management company.

AMC's need to be held responsible for ensuring appraisers are compensated at a rate that is customary and reasonable and need to be forbidden from charging any fees that prohibits a full customary and reasonable payment.

The cost of technology, regulation, registry fees and other operating expenses of AMC's are not the responsibility of the appraiser. An appraiser's customary and reasonable fee should not be based on the variable operating expenses of the management company.

ICAP drafted Illinois HB 5880, a consumer protection bill that would amend the Illinois appraisal management company registration act. HB 5880 provides that an appraisal

management company shall not require an appraiser to pay the specified appraisal management company national registry fee assessed by the Appraisal Subcommittee; require an appraiser to pay any fee directly or indirectly to an appraisal management company or to reimburse an appraisal management company for any costs, fees, or other expenses incurred solely by the appraisal management company as a prerequisite to an appraiser being added to an appraiser panel or as a prerequisite to an appraiser receiving an order for an appraisal from an appraisal management company; or deduct any amount from the reasonable and customary fee paid to an appraiser for any costs, fees, or other expenses incurred solely by the appraisal management company.

It must be made clear in the rulemaking that AMC's should not be allowed to directly or indirectly require any appraiser to pay a surcharge for the cost to operate the AMC. Help to protect the consumer and increase appraiser's independence by making it clear that real estate appraisers should receive the entire customary and reasonable fee, one that is not eroded by the operating cost of management companies.

Thank you again for this opportunity to comment.

On behalf of ICAP

A handwritten signature in black ink that reads "Michael Morris, ARA, MAI". The signature is written in a cursive style.

Michael K. Morris, ARA, MAI
2016 President