



Market Watch

Just When You Thought That You Had Seen Everything...Appraisal Management Companies Entering Mortgage Business???

I have now been in the mortgage business for over 26 years and I have seen some really interesting and some just down right ridiculous things. This one will fit into the "ridiculous" arena. It has been reported today that several AMC's (appraisal management company's) are looking to enter the mortgage business. Yes...these are the same guys who are the beneficiaries of the current HVCC rules that all of us have to live by and the same guys who assign an appraiser from Conyers to do an appraisal in Buckhead. They are also the same guys who then pay this guy from Conyers half of what he used to make to do this appraisal in Buckhead....which, in many cases, has resulted in low and sloppy appraisals. The old saying of "you get what you pay for" could not ring more true in this case. Many of the large banks (NOT SUNTRUST), correspondent lenders and mortgage brokers are forced to use these AMCs for their appraisals and the results have not been very good as most of you know. Now, the same folks are wanting to

get in the mortgage business as they see this as a "value add" to their current business model. I, however, would argue that they have contributed to our current prolonged housing recession as their "sloppy" appraisals have truly killed legitimate purchase deals which have sent values throughout the subject subdivision to lower levels than they should be at since this purchase...if the price is reduced to match the appraisal...will be used as a "comp" in the subdivision driving all prices down. I would also argue that they have killed any chance of some current homeowners from ever refinancing their homes due to low values. Their "sloppy work" as well as sending appraisers to areas they are not familiar with has most likely added to our current recession issues as many potential refinance customers are being denied due to low appraisals and therefore they don't lower their payments which would give them more disposable income for other purchases which would stimulate the econ-



FNMA 30yr	4.875%
	0 Points
FNMA 10yr ARM	4.250%
	0 Points
FNMA 7yr ARM	3.875%
	0 Points
FNMA 5yr ARM	3.375%
	0 Points
FHA 30 yr	4.750%
	0 Points
FHA 5 yr ARM	3.750%
	0 Points
DOW Jones	10236
DOW Jones	NA
SunTrust Stock	\$24.70

omy. Now, these companies want to enter the mortgage business!!! Could there ever be a bigger conflict of interest than this??? The Federal Government continues to take a hard look at banks and in some instances...they should...But I cannot imagine how they could let this happen. Am I worried that they are entering the mortgage business??? Given their current track record for customer service...Not really. Have a wonderful day!!!
DC AIKEN, VP

"See The Difference"
Service.Experience.Expertise.

D.C. Aiken
Vice President
(O) 770-499-5555

Gary Welch
Vice President
(O) 770-888-2232

Jeff Morris
Vice President
(O) 404-497-0071

Rick Stevens
Vice President
(O) 404-497-0091

Richard Young
Vice President
(O) 404-497-0090

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