

## From General Appraiser Butterfield, (954-929-6094)

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Hello Appraisers,

**Subject: Exposing and defeating the HVCC**

**(Home Valuation Code of Conduct)**

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**We can and we MUST stop Appraisal Management Companies (AMC's):** Our fees and turnaround times have been cut in 1/2 or even worse in the past ten years. Additionally the HVCC will take away any opportunity to maintain ones own client base - No clients = No business. If the key big three AMC's in the U.S. say that: "We are not adding any more appraisers to our approved panel", then plain and simple; your career as a residential appraiser is over.

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State Boards: Again I urge you to **NOT** register and regulate AMC's and therefore legitimize their activities. **OUTLAW** them. It is imperative to mandate that anyone involved in the appraisal process must be a Certified Appraiser, licensed in the state they perform appraisal services, and be the majority owner of the company. Tens of thousands of jobs are at stake in the appraisal and mortgage industries; possibly as many as 2 million jobs. Appraisal review is already being out-sourced overseas.

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The synopsis of; "what's really going on" is seen in the **FARES/FIDELITY** antitrust attachment.

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Understand that three AMC's (**FARES/FIDELITY and FISERVE**) all run by billionaire Title Insurance Titans are taking over our profession, and already control upwards of 90% of all appraisal and title work in the US (See **FARES/FIDELITY** attachment).

All the evidence is in the links on the attached PDF's. I do have more evidence in file; but what I am sending is in itself, while perhaps overwhelming to some; quite well documented, and more than enough to make a sound legal argument.

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**FIDELITY COMPANIES: William Foley** Chairman and CEO of **Lenders Services Inc (LSI)/Service link (Fidelity companies)** compensation last year was \$179,000,000.00. That's 179 MILLION dollars. Mr. Foley is #4 on Forbes list of the most highly Compensated Executives in the US. His company after the **Land America** merger expects to do 50% of all title/appraisal management in the US. (See Title Firms Merger attachment - Last Paragraph) Several **Fidelity** Companies are **TAVMA** members and the chairman of **TAVMA** this year is an SVP with Fidelity; **Bill Sussman**.

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These people I allege have engineered, conspired and colluded the takeover of the appraisal industry from the get go with their **\*TAVMA (Est:1987)** allies **\*(Title Appraisal Vendor Management Association)**. Please visit the TAVMA site. These are the companies that have ramrodded appraisers for 24 hour turn times, for fees under \$200.00. There is no way to verify sales data, or write a clean, well thought out appraisal report under such demand to "produce" at the blink of an eye.

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**FARES: Parker Kennedy**, Chairman/CEO of **FARES (First American)**, and a **TAVMA** member has joint ventured (**JV**) AMC's with 5 of the 6 largest banks in the US:

**FARES** is the nations Largest Title Insurer and AMC through JV's

- 1) **Citibank + /FARES JV AMC = (Finiti)**
- 2) **JP Morgan Chase + FARES = (Quantrix).**
- 3) **Wells Fargo** is in a **JV** with **FARES: Rels** is their **AMC**
- 4) **Wachovia** has now been absorbed by **Wells Fargo**
- 5) **Wamu** and **FARES = e Apprazit. (WAMU** has now been absorbed by **JP Morgan Chase)**

You will see that **George Argyros** is a director at **Freddie Mac** and is a **FARES Stockholder and sits on FARES's** board of Directors as well. **Conflict; I dare say**, in light of this **HVCC** agreement.

**2007 FARES Compensation: \$141,995... 2006 FARES Compensation: \$176,301, '08-'09 (est. @\$300,000) - 4 year total = \$618,296 Inclusive of FARES stock options (Coffee money for George)**

Net Worth: 1.8 Billion - #271 - Forbes (See 3 Argyros attachments). It's all **quid pro quo** with these people, I help you monopolize the appraisal industry, Then its Hey HUD man, I need \$100,000,000 to fund my new low rent housing project. "Affordable housing", they call it. The owners of many of these "projects" are worth billions.

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These are the major top 5 national banks in the US. The only other major national bank left is **Bank of America**, and they now own **Countrywide/Landsafe**.

**Landsafe** is a **TAVMA** member and **Donald Blanchard** was its Chairman last year (see attached).

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**FI-SERVE: Gerald J Levy** - (See attached) is a board director in **Fi-Serve** (AMC-TAVMA) and also heads: **The League of Savings Institutions: More conflict.**

**2007 Compensation from Fi-Serve: \$157,223 2006 Compensation from Fi-Serve: \$149,919/ '08-'09 (est. @\$300,000) - 4 year total = \$607,142**

**FI-SERVE: Daniel Kearny-** (See attached) served as the President of **Ginnie Mae** (**Ginnie Mae** is the lending conduit for **HUD**). **Kearney** is on the board of **Fi-Serve**. He held the Presidency of the Resolution Trust Corporation (**RTC**), and was with the big man at Stock brokerage powerhouse Soloman Brothers.

**2007 compensation from Fi-Serve: \$175,223. 2006 compensation from Fi-Serve: \$163,419. '08-'09 Unknown (est. @\$325,000) - 4 year Total = \$663,642 Director MGIC, 2007 compensation: \$313,856**

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First, it was determined by the **Appraisal Foundation** (also est. **1987**, same year as **TAVMA**) that an appraiser could only supervise three trainees; and appraisal shops were splintered from real business enterprises to mom and pop shops; to ultimately make us into individual practioneers working for the **AMC's**. The **HVCC** is the final nail in the coffin to wrap up their control of the appraisal industry. They engineered it from day one; **1987**. (A 20 to 25 year plan to consolidate control of the appraisal industry). Ever wonder why YOU are now **always asked to personally inspect** the property, when FIRREA and USPAP do not require you to, and your trainee could. Wonder no more!

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10+ people involved in **TAVMA** are billionaires who I allege are in cahoots with **Freddie/Fannie** top execs; **Daniel Mudd (20.77 million - #202 Forbes- see att.) and Richard Syron; (\$20 Million for '07), #374** on Forbes 500 list of highest paid executives whom were **two** of the **four signatories** to the **HVCC** document. The other two signatories are **Andrew Coumo**, and **James Lockhart of HUD**; **Coumo** was the former director of **HUD**. **Atty. Gen Coumo** launched an investigation of wrongdoings by AMC, **e-Apprazit** (A **FARES** co.), then within 1 year mandated that **only AMC's** can order appraisals and mortgage brokers could not through this **HVCC** agreement. The fox was hired to guard the henhouse. As one appraiser stated, it is like hiring a pedophile to run the daycare.

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**Coumo; NY Atty. Gen;** was/is legal council for an AMC named **AMCO**; **Edward J. Davidson** is Chairman - CEO of **AMCO**, now known as: **Valuation Services LLC**. **Davidson** is a consultant to **Fannie Mae** and **MGIC**. (Click on **AMCO** - on the **Davidson** attachment and it will link you to **Valuation Services LLC**). **Davidson's** company was financed into existence with a 2 million dollar funding by **Access Capital** - A **NY** based lender - Please Google them up. Also please see **Apgar** attachment. **Apgar** joins Coumo at **AMCO** (**Apgar** was a former **HUD** Commissioner). Three former directors of **FHA** are on **AMCO's** legal advisory council: **Coumo, Jack Kemp, and William Apgar**.

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We need some **Attorney Generals** to investigate, and possibly indict **NY Attorney General Andrew Coumo** (and friends) for counts of: **1) bribery** (We **are offering** you \$\$\$ to create this HVCC agreement; and **you, Coumo, have taken** compensation for same), **2) conspiracy**, **3) collusion**, **4) tortuous interference**, **5) restraint of trade**, **6) unfair trade practices**, **7) price fixing** (appraisers fees), **8) consumer fraud** (fee Skimming), **9) extortion** (The withholding of appraisal fees or make our numbers appraiser; change these comps or be blacklisted), **10) RICO** and other counts as the legal practioneers determine... We are contacting them too; state by state.

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Wake up and smell this coffee; it STINKS. Take a breather; READ the attachments. Click on the links; it is all there in Black and White, and sometimes in living color. There is no more mystery what-so-ever as to what is going on in our appraisal industry; it's all on the table.

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There are **STILL states rights**, though the Federal gov't and the boys are doing their darndest to get rid of them. Job creation? Don't for one minute buy into that hogwash.

**Having said that we can outlaw AMC's state by state on a state appraiser board level.**

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**Here's how we stop AMC's - Not just the HVCC, but AMC's period.**

The persons who are running our state licensing boards are themselves appraisers.

Once you understand what is actually going on in our industry; you will quickly and easily conclude that your careers are threatened as well. We are done, if we do not remove AMC's from the picture.

You can enact rulings on a state level without congressional or senate approval; at the departmental level of our licensing boards.

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Additionally; one of the 8 functions of Real Estate that one can perform by virtue of having a Real Estate license is found in the Acronym: **ABARSALE**.

Based upon that acronym, that I remember to this day, when I first got licensed back in 1986; the privilege of RE licensure is broken out as follows: **When brokering services for a third party, when one expects to receive compensation**, (based upon Real Estate Law, at least in Florida, and perhaps in **your state**), **one cannot, without holding a Real Estate license**.

**Advertise, Buy, Appraise, Rent, Sell, Auction, Lease, or Exchange** (Eight Services of Real Estate Florida) from a Google search. (ABARSALE) I have registered a formal complaint with the Florida DBPR, and they are looking closely at it. Time will tell.

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**RESPA; truth in lending laws** and RE Brokerage laws are presently being violated as, a closing statement may state that an appraisal fee is \$400.00 or \$500.00, yet the appraiser may be compensated 1/3 to 1/2 of that; and that is **FRAUD**. If the **AMC** takes the remainder, **they are most certainly receiving compensation, and performing one of said 8 services of Real Estate (in Florida)**. Appraiser Boards, please communicate with **YOUR Real Estate Boards**, and see if existing laws prohibit an **AMC** from doing business in your state.

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If we desire **Appraiser Independence**; we should be able to maintain our own client base as any professional, and we can police our licensed appraisers by revoking licenses of the bad apples through our state appraisal boards. No appraiser should ever be blacklisted. I do however, have published blacklists in file in excess of 25,000 appraisers from these major banks. Appraisers who do not make the numbers, or refuse to drop their fees are the first ones blacklisted. There will be no **Appraiser Independence** if AMC's are allowed to rule our industry.

There will ultimately **be no appraisers at all** as the AMC's goals are to do automated valuation models (**AVM's**). Yet, they will still charge the home owner/borrower, for an appraisal fee. If this **HVCC** comes to fruition, another round of economic disaster will be seen in the US, before its ultimate demise.

Appraisers/Appraisals are a very important link to ensure checks and balances in the financial markets. **FARES/FIDELY and Fi-Serve** are simply just another AIG...., and YES, there are ties to AIG as well (See unanswered questions attachment; page 1) AIG is the primary underwriter for appraisers E and O insurance, and said insurance rates have increased 30 to 40% over the past two years,

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Appraisers/Appraisals are a necessary tool to protect homeowners from fraud. Appraisers did not cause the present financial devastation in America; the Fed engineered it; but that is another story, or perhaps simply another chapter to this story (see press release attachment).

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The **ruling to eradicate AMC's on a state level** that I have composed **is seen in on page 4; last paragraph** of the **FARES/FIDELITY/Fi-Serve** attachment –

The RULING I suggest essentially parrots; RE Law; wherein a lay person cannot collect a commission for selling a home; any more than a layperson can practice law or dentistry without adequate schooling, apprenticeship or passing a qualifications exam. These attachments should be all that will be needed to provide the needed wake up call to arms.

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(Please also see FIRREA notated (attached), pages 5-6, which states that - A bank MUST take an appraisers appraisal, when coming via an agency relationship)

(There is no such thing as "an Approved Appraiser list". If an appraiser can evidence competency to perform the assignment, they MUST take the appraisal)

(The Appraisal Institute (AI) is complicit in reversing this free trade FIRREA/12 CFR part 34 legislation on both state and federal levels; and is pushing legislation everywhere to favor their membership; but for the time being, in light of the bigger fish to fry; it is best to have the AI as an ally - but they are next on the list; believe me) Please see petition to repeal part of HR3835 pertaining to the Appraisal Institutes elevating of their designations over your State Certification [CLICK HERE FOR LINK](#)

**FIRREA/12 CFR 34 is/are the appraisers "Constitution", The Appraisal Institute, & The Appraisal Foundation are dismantling it, as the Feds are dismantling the real one.**

Thanks....and just say **NO!**

**NO more to Corporate American greed destroying our country, and the livelihood of hard working Americans! We make less, if we work at all, and OUR ever increasing tax dollars go to support THEIR bonus's.**

Craig H. Butterfield - Founder - [Appraisalunion.org](http://Appraisalunion.org)

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[www.butterfieldappraisals.com](http://www.butterfieldappraisals.com)

**See Appraisal Foundation (1987) - Industry Advisory Council PDF (attached)**

**(If you have read this far – Their membership roster should come as no surprise to you at all)**  
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**PS**; and if all this so far hasn't tweaked your ear, and set you to boil; then lastly; see the **Press Release attachment** that I wrote last year which will give you the needed insight to see **WHY** the Real Estate Settlements and Procedure Act (**RESPA**) law is being changed regarding "**Bundling the Closing Statement**". (aka **Burying the Appraisal fee**). That can be found on page 3 of the Press Release (att.) under **Shawn McGowan** links. (CEO of **AMC Velocity**/formerly w/ **e Apprazit**, and Chairman of the **Industry Advisory Council of the Appraisal Foundation**). I've also included links here:

<http://www.allbusiness.com/government/government-bodies-offices-legislative/5611415-1.html> .....and here: (Ready to Bundle Article by McGowan): <http://www.allbusiness.com/finance/3596467-1.html>.

**McGowan** writes about how confused ("**Mystified**; he states") a consumer is at being able to differentiate an **appraisal fee**, from a **title closing fee**, from a **credit check**; fee; on a closing statement, So **McGowan** wrote an article to wrap these fees all into one bundle; and former HUD Secretary **Alphonzo Jackson** spearheaded the change in the **RESPA** statement to "Bundle those costs".

An excerpt from my earlier press release (attached) states "**McGowan's' ideology** -- "Mr. Grocer, how much were those apples? – McGowan states, it doesn't matter, it's included in the price of the milk, and cheese, and at only 100 dollars – why ask?"

**McGowan**, last years **Chairman** of the **Industry Advisory Council to The Appraisal Foundation**; this years **Trustee** to the **AF**, and **CEO** of: **AMC Velocity**, and a member of the **TAVMA** cartel are: **Title insurers/AMC's**, and they sell **appraisal/title and credit checks!**

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They clearly do not represent the interests of: "**Joe or Joni, the appraiser**", nor do they represent consumer interests, but they do indeed represent their interests: **\$Money\$, \$\$Money\$\$**, and more **\$\$\$Money\$\$\$**, is where their interests begin and end.

For a brief moment, I pondered writing Mel Martinez, my Florida Senator; but, he too, is a former Director of HUD. Incestuous relationships are to be found at every level. .... Fannie/Freddie/Ginnie Execs; Citicorp, Bear Stearns, Shearson Lehman Execs, and even former Air Force Generals, and a veritable who's who in America sit on the boards of **AMC's: FARES/FIDELITY/FI-SERVE, Velocity and AMCO**. There may be 5 million or more home loans made in the U.S. this year. That number times \$200-\$250 per job skimmed from our appraisal fees by these big AMC industry players is very big money; "our money".

**The amount of money that is going to THEM, and being taken from US; equates to about 1 billion annually for the work WE perform, that THEY will be compensated for.**

These are the very people that have pummeled the world into the worst global financial crises since 1929. They now want to exercise their monopoly rights over the appraisal industry.

By and large most of these people are Harvard educated law school alumni (**See press release attachment**). I would never dare call these people stupid, and be assured, they are not. They are simply determined to have all wealth transfer to them, and members in their billionaires circle.

The Fed created the economic bubble via low interest rate manipulation. Then they popped it, successfully foreclosing on everything in their path and wiping out class B stockholder equity and pension funds. Now they are augmenting their position taking tax payer bailout monies to further their consolidation and control over the masses. I might call them, greedy, sick, and demented, but most certainly never stupid.

**HVCC – HOME VALUATION CODE of CONDUCT – “as it is so called”**

**What is the driving force behind this document? Answer FARES/FIDELITY/FISERVE**

The nations largest banks have made deals with the nations three largest title insurers to sow up the title/appraisal industry, and squeeze out the mortgage brokerage industry.

In my opinion, we are looking at a classic anti trust case.

The three big Title companies are:

1) First American Real Estate (Fares). 2) The Fidelity Companies, 3) Fi-Serve

As you will soon see; two of the three companies already control 80+ percent of the industry and are poised to gobble up the remainder via HVCC, via unfair trade practices, and tortuous interference.

The major banks which you will see below have mandated that only certain companies can be used to order appraisals, closing the door to everyone not approved by these companies or willing to accept their fees..

Starting with **FARES**. They claim to be the largest title insurer in the US, followed by **Fidelity and Land America** which recently merged, whom I will discuss later (see next page)

### **The FARES Companies**

[http://en.wikipedia.org/wiki/First\\_American\\_Corporation](http://en.wikipedia.org/wiki/First_American_Corporation)

**FARES** operates under a Joint Venture Scheme (JV's).

Some of the JV's I have uncovered are:

- 1) E Apprazit – This is a **FARES JV** with what was WAMU (Now absorbed by JPMorgan/Chase.

<http://www.eappraiseit.com/>

[http://www.e-appraise.com/docs/lenders.php?MENU\\_ITEM=2](http://www.e-appraise.com/docs/lenders.php?MENU_ITEM=2)

- 2) Quantrix is the approved AMC for JPMorgan Chase (It is a **FARES JV**)

[http://appraisalnewsonline.typepad.com/appraisal\\_news\\_for\\_real\\_e/2006/10/chase\\_partners\\_.html](http://appraisalnewsonline.typepad.com/appraisal_news_for_real_e/2006/10/chase_partners_.html)

another link: [http://www.quantrixllc.com/careers\\_valuation.html](http://www.quantrixllc.com/careers_valuation.html)

- 3) **Rel's**/ (Another **JV with FARES**, and Wells Fargo who now owns Wachovia)

[http://relsvaluation.com/asp/home/IT\\_STAFF\\_APPRAISER\\_OPP.asp](http://relsvaluation.com/asp/home/IT_STAFF_APPRAISER_OPP.asp)

- 4) **Finiti** (This JV is between Citicorp and **FARES**)

[https://www.finiti.info/vendor/html/common/docs/Working\\_At\\_Finiti.pdf](https://www.finiti.info/vendor/html/common/docs/Working_At_Finiti.pdf)

The forementioned FARES JV's are with 4 of the 5 largest banks in the US, whom have mandated that appraisals must be ordered through these companies, and FARES splits the booty with the banks.

They do this not only with appraisals, but are forcing their army of contracted Title closing agents to work for less, and faster, and are squeezing out the mortgage brokerage community.

These companies are part of TAVMA (Title appraiser vendor management association), which is in fact NOT an association, but a cartel). Their Motto Faster/Better/Cheaper) Not to the consumer however)

The below link is the TAVMA Board of Directors – The majority of the companies are subsidiaries of the others (Ex: LSI is part of Fidelity as is Service Link) I will (if needed break them out one by one)

[http://www.tavma.org/index.php?option=com\\_content&task=view&id=98&Itemid=0](http://www.tavma.org/index.php?option=com_content&task=view&id=98&Itemid=0)

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## The Fidelity Companies

[http://en.wikipedia.org/wiki/Fidelity\\_National\\_Financial](http://en.wikipedia.org/wiki/Fidelity_National_Financial)

[http://en.wikipedia.org/wiki/LandAmerica\\_Financial\\_Group](http://en.wikipedia.org/wiki/LandAmerica_Financial_Group)

Under the broad heading above **Fidelity** owns: Chicago Title/Alamo Title/Lawyers Title/Commonwealth Title and more of the big title insurers. They also own Lenders Services (LSI) and Service Link, both being appraisal management companies. This is the other conglomerate that is one of the few approved AMC 's list of the big banks.

LSI boasted that last year they processed 29% of all residential mortgage loan applications in the US last year. They just absorbed Land America through a merger, and now boast that they will control over 50% of all mortgage related title and appraisal management, These companies (Fidelity and Land America) were the second and third largest companies, behind number one FARES.

[See attachment please – last paragraph explains that they will control over ½ of all title AMC work, but do not anticipate any anti trust issues. We shall see?](#)

Just adding up numbers like a simpleton, if LSI controlled 29% and they were second to FARES (assuming FARES controlled just a mere 30%), adding that to the 50% that the Fidelity/Land America Merger = 80% of the market held by two companies, via arm twisting tactics and agreed kickbacks to banks in these lucrative joint ventures eliminating appraisers out of the loop, and at a minimum reducing their fees to less than 50% of what they were 10 years ago.

FYI -- **Fi-SERVE** Is the fourth largest (now 3<sup>rd</sup> after the LSI/Land America merger)– another 10% = 90 %. (They too are part of TAVMA)

I can punch this up a bit more, and add additional documentation, but for the moment please absorb what is here, and please also confirm that all the links are coming up satisfactorily. I will augment this with additional evidence, but the long and short of this is that in short only three key firms (Despite the many names created via these JV's) are approved with all the major banks before this HVCC has even been implemented. It is a long term plan by the big title insurers all culminating at the desired cross road.

Put a stop to the consolidation of our industries by these big business behemoths. Legislate them out on a state by state level – sue them out via anti-trust legislation, and redact the HVCC immediately.

Thanks

Craig Butterfield 954-929-6094  
State Certified General Appraiser RZ-1063 (Florida)

**Addendum to FARES/FIDELITY** monopolizing of the appraisal Industry.

This addendum is, "as it were" the dotting of the I's and crossing of the T's.

The links below will show you that two of the directors of FARES are seeking to control the appraisal industry completely via the implementation of the HVCC.

Connecting faces to my allegations; the two faces are

1) **Parker Kennedy** - Chairman of FARES, and great grandson of the founder.

<http://www.firstam.com/investorinfo.cfm?c=118425&p=irol-govBio&ID=97646>

Second Link regarding Parker; (Never enough money for some people)

<http://people.forbes.com/profile/parker-s-kennedy/78626>

Third link for Parker - Remember the issue of the bill for a proposed surety bond for appraisers promoted by Senator Dodd. - Parker Kennedy is IN the insurance business, and would be well poised to offer surety bonds for appraisers. Parker donated to Dodd's campaign,

<http://www.campaignmoney.com/political/contributions/parker-kennedy.asp?cycle=08>

2) **George L. Argyros** - Director with Fares (Biggest AMC)

Presidentially appointed to Director of Freddie Mac, whom the HVCC was adopted by.

Agreement with Coumo and Freddie Mac (Only AMC's can order appraisals)

<http://www.firstam.com:80/investorinfo.cfm?c=118425&p=irol-govBio&ID=146828>

Argyros is also on the fortune 500's richest people list. (Never enough for him either)

<http://people.forbes.com/profile/george-l-argyros/27405>

I believe that the puzzle is complete, and that these people have engineered control over the appraisal industry under the guise of appraiser independence, and consumer protection, as they will clearly deepen their pockets as all appraisals will be channeled through them.

Please get the Florida Appraisal Board and all appraisal state boards into the know, and lets legislate AMC's out of existence.

FARES is/are not appraisers, but fee skimmers, who are demanding impossible turn times, and are compensating appraisers 1/2 what they were making on appraisals a decade ago.

**The FIDELITY COMPANIES** – William Foley CEO

Here's the guy who runs Fidelity (LSI)

#4 on the Forbes most highly compensated executives in the US

[http://www.forbes.com/lists/2007/12/lead\\_07ceos\\_William-P-Foley-II\\_ESTH.html](http://www.forbes.com/lists/2007/12/lead_07ceos_William-P-Foley-II_ESTH.html)

<http://www.fnf.com/FNF/AboutFNF/ExecBios/Foley.htm>

<http://www.answers.com/topic/william-foley>

Any possibility he may have had some influence on the HVCC's mandating that only AMC's can order appraisals?

The intertwining of these people and the evidence is so robust that it is absolutely irrefutable.

They've got to go.

**State appraisal boards, please immediately enact a ruling that:**

**ONLY a licensed appraiser can collect an appraisal fee, and no one other than a licensed appraiser; including a lender can manage or broker appraisal services. Nor can any third party dictate to an appraiser a change of adjustments, or require an appraiser to replace comparable sales or have any say in the outcome of the appraisal performed; unless and excepting the appraiser is duly licensed in said state, and working in a supervisory capacity with a trainee appraiser.**

Please contact any of the below for additional information; if needed.

Craig Butterfield State certified General Appraiser – Fl: 954-929-6094

Ron Howson – State Certified Residential Appraiser – Ca: 661-944-0156

Daryl Johnson – State Certified General Appraiser – Ca: 661-305-6480

Kevin Malone – State Certified Residential Appraiser – NY: 516-747-3068

Robert Sheppard – State Certified Residential Appraiser – Mi: 901-217-0487

Jody Price – State Certified Residential Appraiser – Fl: 772-260-3838

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## #4 William P Foley II

05.03.07, 6:00 PM ET

Total Compensation

**\$179.56 mil**

5-Year Compensation Total

**NA**

Foley II, William P has been **CEO of Fidelity National Finl ( FNF)** for **one year**. Mr. Foley II has been with the company for **27 years** and is its Founder. The **62** year old executive ranks **1** within **Insurance**

Education

College: **US Military Academy BSE '67**

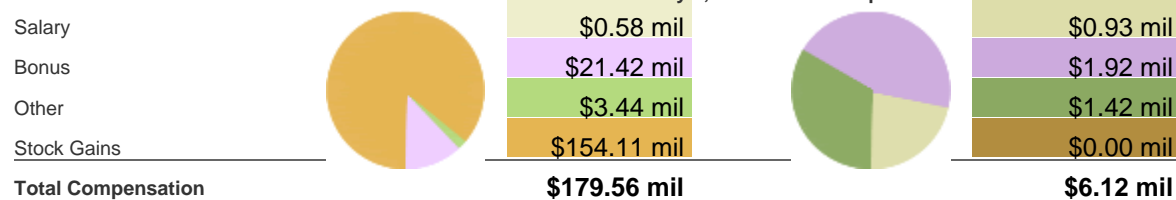
Graduate School: **University of Washington JD '74**



Courtesy of Fidelity Natl. Financial Inc.

See Org Chart for FNF

Foley II, William P's Compensation Vs. Insurance Medians



Data Contributor: CompAnalyst Executive By

salary.com

Charges and organizes 6 devices

Wood Charging Station



- Phones
- PDAs
- MP3 players
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## Title firms' merger creates titan

By **Thomas Olson**

TRIBUNE-REVIEW

Saturday, November 8, 2008



Two of the nation's largest title insurance and settlement companies agreed to a merger on Friday, a combination that puts five Western Pennsylvania locations with hundreds of workers under one name.

The merger comes amid continued consolidation in the mortgage industry driven by the nation's mortgage and credit crisis.

Fidelity National Financial, Jacksonville, Fla. agreed to buy struggling LandAmerica Financial Group, Richmond, Va., for more than \$128 million in stock yesterday. Fidelity is the nation's second-largest title company, while LandAmerica is the third-largest.

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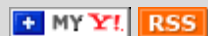
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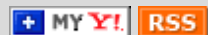
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Together, they employ about 26,500 people nationwide, including an estimated 1,500 or so workers in Allegheny, Beaver and Washington counties.

Fidelity National said it expects to wring at least \$150 million in operating costs from each company. During a conference call with Wall Street analysts yesterday, Chairman William Foley II said the company will review for possible consolidation or sale "everything you can think of with two large companies coming together."

Spokesmen for neither Fidelity National nor LandAmerica, however, would comment on local employment or consolidation plans. Fidelity National said in October it would cut 900 jobs nationally by year's end, after eliminating 3,100 positions in 2007, and 1,700 in 2006.

"When things slowed down, they both let people go," said Jeff Schurman, executive director of Title Appraisal Vendor Management Association, a trade group in Moon.

"I doubt they'd let many people go here," he said. "Those who are left are people doing title production, which is a fairly specialized service. You don't just pull people off the street for that."

Both companies have offices in the Pittsburgh region with significant employment, according to industry estimates. They include:

- Fidelity National's Service Link offices in

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Hopewell, Beaver County (title and appraisal management services) and in Moon (regional headquarters and appraisal management) together employ well over 500.

- Fidelity National affiliate LSI in Coraopolis (title processing and appraisal management) employs about 500.
- LandAmerica's Nationwide Appraisal & Title Services, Washington (processing and appraisal management) employs about 400.
- LandAmerica's Lenders Services, Moon (title and closing services) employs about 100 workers.

"The unprecedented credit freeze and depressed real estate market have negatively impacted our business to the point that it has become increasingly difficult for LandAmerica to remain an independent public company," said Chairman and CEO Theodore Chandler Jr.

The merger announcement did not surprise Schurman, who said, "LandAmerica has been rumored to be for sale for about a year. Consolidation (in mortgage servicing) has been going on for awhile now."

For instance, locally based Lenders Services was acquired by Fidelity National in 2003. It also acquired locally based Service Link in 2005.

The national's largest title and settlement company is First American Corp., which had cut more than 12,000 jobs since early 2007.

Combined, Fidelity National and LandAmerica will control nearly half the title insurance work in the United States, Foley told analysts, but said he "doesn't anticipate an antitrust issue."

*Thomas Olson can be reached at [tolson@tribweb.com](mailto:tolson@tribweb.com) or 412-320-7854.*

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### Contact Us

#### Executive Director

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Title Appraisal Vendor Management Association

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Moon Township, PA 15108

412-507-2318

[jeff@tavma.org](mailto:jeff@tavma.org)

[www.tavma.org](http://www.tavma.org)

#### President and CEO

#### Chairman - Executive Committee

Donald H. Blanchard

Deputy General Counsel, EVP

Countrywide Home Loans/Landsafe Appraisal Services

6400 Legacy PTX 12

Plano, TX 75024

972-526-6630

[Don\\_Blanchard@Countrywide.com](mailto:Don_Blanchard@Countrywide.com)

#### Past-President (2003)

#### Executive Committee

Edward J. Krug

Attorney

Commercial Loan Services

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Moon Township, PA 15108

412-424-4213

[ekrug@clslegal.org](mailto:ekrug@clslegal.org)

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## George L. Argyros

### Director

#### The First American Corporation

Santa Ana , CA

Sector: [FINANCIAL](#) / [Surety & Title Insurance](#)

### Director , DST Systems, Inc.

Kansas City , MO

Sector: [TECHNOLOGY](#) / [Information & Delivery Services](#)

71 Years Old

Hon. George L. Argyros, Chairman and Chief Executive Officer, Arnel & Associates diversified investment company. Other Directorships- DST Systems, Inc.

### Forbes Rankings

[559th on the Forbes World's Richest People in 2009](#)

[707th on the Forbes World's Richest People in 2008](#)

[262nd on the Forbes 400 Richest in America in 2008](#)

[DST Systems - 1,670th on the Forbes Global 2000 in 2008](#)

[First American - 1,546th on the Forbes Global 2000 in 2008](#)

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### Director Compensation (The First American Corporation) for 2007

Fees earned or paid in cash	<b>\$92,000.00</b>
-----------------------------	--------------------

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### Company: [The First American Corpor... \(FAF\)](#)

#### Top Executives at [The First American Corporation](#)

<a href="#">Max O. Valdes</a>	Chief Accounting Officer/Senior VP
<a href="#">Parker S. Kennedy</a>	CEO/ Chairman of the Board/ Director
<a href="#">Frank V. McMahon</a>	Vice Chairman
<a href="#">Martin R. Wool</a>	President, Divisional
<a href="#">Barry M. Sando</a>	President, Divisional
<a href="#">Curt G. Johnson</a>	President, Divisional/Vice Chairman, Subsidiary

Stock awards	<b>\$49,995.00</b>
Option awards (in \$)	<b>\$0.00</b>
Non-equity incentive plan compensation	<b>\$0.00</b>
Change in pension value and nondisqualified compensation earnings	<b>\$0.00</b>
All other compensation	<b>\$0.00</b>
<b>Total Compensation</b>	<b>\$141,995.00</b>

#### Director Compensation (The First American Corporation) for 2006

Fees earned or paid in cash	<b>\$88,000.00</b>
Stock awards	<b>\$0.00</b>
Option awards (in \$)	<b>\$88,301.00</b>
Non-equity incentive plan compensation	<b>\$0.00</b>
Change in pension value and nondisqualified compensation earnings	<b>\$0.00</b>
All other compensation	<b>\$0.00</b>
<b>Total Compensation</b>	<b>\$176,301.00</b>

#### Director Compensation (DST Systems, Inc.) for 2008

Fees earned or paid in cash	<b>\$79,000.00</b>
Stock awards	<b>\$130,000.00</b>
Option awards (in \$)	<b>\$0.00</b>
Non-equity incentive plan compensation	<b>\$0.00</b>
Change in pension value and nondisqualified compensation earnings	<b>\$0.00</b>
All other compensation	<b>\$22,108.00</b>
<b>Total Compensation</b>	<b>\$231,108.00</b>

#### Director Compensation (DST Systems, Inc.) for 2007

Fees earned or paid in cash	<b>\$63,000.00</b>
Stock awards	<b>\$130,000.00</b>
Option awards (in \$)	<b>\$0.00</b>
Non-equity incentive plan compensation	<b>\$0.00</b>
Change in pension value and nondisqualified compensation earnings	<b>\$0.00</b>
All other compensation	<b>\$0.00</b>
<b>Total Compensation</b>	<b>\$193,000.00</b>

#### Director Compensation (DST Systems, Inc.) for 2006

[George S. Livermore](#) President, Divisional

[Kenneth D. DeGiorgio](#) Senior VP/ General Counsel/ Secretary

[Anthony S. Pizsel](#) CFO/Treasurer

[Frank E. O'Bryan](#) Director

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Fees earned or paid in cash	<b>\$80,000.00</b>
Stock awards	<b>\$130,000.00</b>
Option awards (in \$)	<b>\$0.00</b>
Non-equity incentive plan compensation	<b>\$0.00</b>
Change in pension value and nondisqualified compensation earnings	<b>\$0.00</b>
All other compensation	<b>\$71.00</b>
<b>Total Compensation</b>	<b>\$210,071.00</b>



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Net Worth **\$1.8 billion** ↑

Age 70  
Marital Status Married, 3 children

Source DST Systems (quote: DST), Real Estate, Self made  
Hometown Newport Beach, CA, United States  
Education Chapman University, Bachelor of Arts / Science

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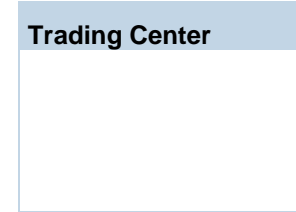
Second generation Greek American born in Detroit, raised in California, built state business and economics at Michigan State. Graduated to real estate 1962. Sold land at busy intersections to oil companies to set up gas stations. Today privately held Arnel & Affiliates owns, manages 5,200 apartments and 2 million square feet of commercial space. Founded private equity firm Westar Capital 1987; invests in pet products (Dorskocil), coolers (Igloo), auto technology (Amerigon). Former U.S. ambassador to Spain raising money for John McCain's presidential run; enjoys sailing, skiing, hunting.



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Hon. George L. Argyros  
Director, The First American Corporation  
Chairman and Chief Executive Officer  
Arnel & Affiliates

Argyros, chairman and chief executive officer of Arnel & Affiliates, is a nationally recognized business leader and philanthropist. In 2005, Argyros was re-appointed to the board of directors for The First American Corporation - -a position he held for 13 years before leaving to serve as the U.S. ambassador to Spain.

Prior to his appointment in Spain, Argyros was also a member of several government committees and industry boards, including the Advisory Committee for Trade Policy and Negotiations for the U.S. Trade Representative and the presidential-appointed board for the Federal Home Loan Mortgage Corporation (FreddieMac).

In addition to being the recipient of several coveted awards for his leadership and community service, Argyros holds a bachelor's degree in business and economics from Chapman University in Orange, Calif., as well as an honorary doctorate in law from Pepperdine University in Malibu, Calif., and an honorary doctorate in humane letters from Chapman University.

***Please direct correspondence to:***

George L. Argyros  
Chairman and Chief Executive Officer, Arnel & Affiliates  
949 S. Coast Dr., Suite 600  
Costa Mesa, CA 92626

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## Gerald J. Levy

### Director

#### Fiserv, Incorporated

Brookfield , WI

Sector: [TECHNOLOGY](#) / [Business Software & Services](#)

76 Years Old

Gerald J. Levy (age 76) has been a director since 1986 and is known nationally for his involvement in various financial industry organizations. Mr. Levy is a past Director and Chairman of the United States League of Savings Institutions, and served as Chairman of its Government Affairs Policy Committee. Since 1959, Mr. Levy has served Guaranty Bank, Milwaukee, Wisconsin, in various capacities, including as Chairman since 2002 and Chief Executive Officer from 1973 to 2002. He also serves as a director of Guaranty Bank and Guaranty Financial M.H.C., the holding company of Guaranty Bank. Principal Occupation: Chairman of Guaranty Bank.

### Forbes Rankings

[Fiserv Forbes 400 Best Big Companies in 2009](#)

[Fiserv - 1,045th on the Forbes Global 2000 in 2008](#)

[Fiserv - 1,048th on the Forbes Global 2000 in 2007](#)

[Fiserv Forbes 400 Best Big Companies in 2007](#)

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### Director Compensation (Fiserv, Incorporated) for 2007

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### Company: [Fiserv, Incorporated \(FISV\)](#)

#### Top Executives at [Fiserv, Incorporated](#)

<a href="#">Peter J. Kight</a>	Director/Vice Chairman
<a href="#">Jeffery W. Yabuki</a>	CEO/President/Director
<a href="#">Charles W. Sprague</a>	Executive VP/Chief Administrative Officer/Secretary/General Counsel
<a href="#">Donald F. Dillon</a>	Chairman of the Board/Director
<a href="#">Rahul Gupta</a>	Executive VP/President, Divisional

Fees earned or paid in cash	<b>\$72,500.00</b>
Stock awards	<b>\$39,992.00</b>
Option awards (in \$)	<b>\$54,731.00</b>
Non-equity incentive plan compensation	<b>\$0.00</b>
Change in pension value and nondisqualified compensation earnings	<b>\$0.00</b>
All other compensation	<b>\$0.00</b>
<b>Total Compensation</b>	<b>\$167,223.00</b>

**Director Compensation (Fiserv, Incorporated) for 2006**

Fees earned or paid in cash	<b>\$57,000.00</b>
Stock awards	<b>\$39,996.00</b>
Option awards (in \$)	<b>\$52,923.00</b>
Non-equity incentive plan compensation	<b>\$0.00</b>
Change in pension value and nondisqualified compensation earnings	<b>\$0.00</b>
All other compensation	<b>\$0.00</b>
<b>Total Compensation</b>	<b>\$149,919.00</b>

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- [Stephen E. Olsen](#) Executive VP/ President, Divisional
- [Thomas A. Neill](#) Divisional President/ Executive VP
- [Thomas J. Hirsch](#) Executive VP/ CFO/ Treasurer/ Assistant Secretary
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## Daniel P. Kearney

### Director

#### Fiserv, Incorporated

Brookfield , WI

Sector: [TECHNOLOGY](#) / [Business Software & Services](#)

### Director , MBIA Inc.

Armonk , NY

Sector: [FINANCIAL](#) / [Surety & Title Insurance](#)

### Director , MGIC Investments Corporation

Milwaukee , WI

Sector: [FINANCIAL](#) / [Surety & Title Insurance](#)

68 Years Old

Daniel P. Kearney (age 68) has been a director since 1999. Mr. Kearney is a financial consultant and served as Chief Investment Officer of Aetna, Inc. from 1991 to 1998. In 1995, he assumed the additional responsibility of President of Aetna's annuity, pension and life insurance division, retiring in 1998. Prior to joining Aetna, Mr. Kearney was President and Chief Executive Officer of the Resolution Trust Corporation Oversight Board. Before that, he was a principal at Aldrich, Eastman and Waltch, Inc., a Boston-based pension fund advisor. From 1977 to 1988, Mr. Kearney was with Salomon Brothers, Inc. as Managing Director of its Real Estate Financing Department and a founder of its Mortgage Securities Department, and from 1976 to 1977 he was Associate Director of the United States Office of Management and Budget. He served as President of the Government National Mortgage Association (Ginnie Mae) from 1974 to 1976, Deputy Assistant Secretary of the Department of Housing and Urban Development from 1973 to 1974, and as Executive Director of the Illinois Housing Development Authority from 1969 to 1973. Previously, he was in private law practice in Chicago, Illinois. Mr. Kearney has over 30 years of experience in the banking, insurance and legal industries. Mr. Kearney also serves as a director of MGIC Investment Corporation, a publicly traded

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mortgage insurance company, and MBIA, Inc., a publicly traded financial guarantor. Principal Occupation: Financial Consultant.

### Forbes Rankings

[Fiserv Forbes 400 Best Big Companies in 2009](#)

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### Director Compensation (Fiserv, Incorporated) for 2007

Fees earned or paid in cash	\$80,500.00
Stock awards	\$39,992.00
Option awards (in \$)	\$54,731.00
Non-equity incentive plan compensation	\$0.00
Change in pension value and nondisqualified compensation earnings	\$0.00
All other compensation	\$0.00
<b>Total Compensation</b>	<b>\$175,223.00</b>

### Director Compensation (Fiserv, Incorporated) for 2006

Fees earned or paid in cash	\$70,500.00
Stock awards	\$39,996.00
Option awards (in \$)	\$52,923.00
Non-equity incentive plan compensation	\$0.00
Change in pension value and nondisqualified compensation earnings	\$0.00
All other compensation	\$0.00
<b>Total Compensation</b>	<b>\$163,419.00</b>

### Director Compensation (MBIA Inc.) for 2007

Fees earned or paid in cash	\$106,000.00
Stock awards	\$28,343.00
Option awards (in \$)	\$0.00

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**Company:** [Fiserv, Incorporated \(FISV\)](#)

### Top Executives at [Fiserv, Incorporated](#)

[Peter J. Kight](#) Director/Vice Chairman

[Jeffery W. Yabuki](#) CEO/President/Director

[Charles W. Sprague](#) Executive VP/Chief Administrative Officer/Secretary/General Counsel

[Donald F. Dillon](#) Chairman of the Board/Director

Non-equity incentive plan compensation	\$0.00
Change in pension value and nondisqualified compensation earnings	\$0.00
All other compensation	\$34,925.00
<b>Total Compensation</b>	<b>\$169,268.00</b>

#### Director Compensation (MBIA Inc.) for 2006

Fees earned or paid in cash	\$144,000.00
Stock awards	\$23,757.00
Option awards (in \$)	\$0.00
Non-equity incentive plan compensation	\$0.00
Change in pension value and nondisqualified compensation earnings	\$0.00
All other compensation	\$28,605.00
<b>Total Compensation</b>	<b>\$196,362.00</b>

#### Director Compensation (MBIA Inc.) for 2005

Fees earned or paid in cash	\$123,000.00
Stock awards	\$50,000.00
Option awards (in \$)	\$0.00
Non-equity incentive plan compensation	\$0.00
Change in pension value and nondisqualified compensation earnings	\$0.00
All other compensation	\$18,598.00
<b>Total Compensation</b>	<b>\$191,598.00</b>

#### Director Compensation (MGIC Investments Corporation) for 2007

Fees earned or paid in cash	\$129,000.00
Stock awards	\$184,856.00
Option awards (in \$)	\$0.00
Non-equity incentive plan compensation	\$0.00
Change in pension value and nondisqualified compensation earnings	\$0.00
All other compensation	\$0.00
<b>Total Compensation</b>	<b>\$313,856.00</b>

#### Director Compensation (MGIC Investments Corporation) for 2006

Fees earned or paid in cash	\$84,000.00
-----------------------------	-------------

[Rahul Gupta](#) Executive VP/  
President,  
Divisional

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President,  
Divisional

[Thomas A. Neill](#) Divisional  
President/  
Executive VP

[Thomas J. Hirsch](#) Executive VP/  
CFO/  
Treasurer/  
Assistant  
Secretary

[James W. Cox](#) Executive  
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FORBESLIFE LISTS OPINIONS

## #202 Daniel H Mudd

04.30.08, 6:00 PM ET

< Previous: Richard T Clark

Next: Andrew N Liveris >

Total Compensation  
**\$8.79 mil**

5-Year Compensation Total  
**\$20.77<sup>2</sup> mil**

Daniel H Mudd has been **CEO of Fannie Mae ( FNM)** for **3 years**. Mr. Mudd has been with the company for **8 years**. The **49** year old executive ranks **24** within **Diversified Financials**

Education  
 College: **University of Virginia BA**  
 Graduate School:



© Ken Cedeno/Bloomberg News

See Org Chart for FNM

### Daniel H Mudd's Compensation Vs. Diversified Financials Medians






Category	Daniel H Mudd	Diversified Financials Medians
Salary	\$0.99 mil	\$0.85 mil
Bonus	\$2.23 mil	\$2.00 mil
Other	\$5.58 mil	\$1.87 mil
Stock Gains	NA	\$0.00 mil

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Loan type		Today	+/-	Last week
30-year fixed		4.93%	▼	5.08%
15-year fixed		4.67%	▼	4.77%
30-year fixed jumbo		6.43%	▼	6.47%
5/1 ARM		4.79%	▲	4.75%
7/1 ARM		5.27%	▲	5.26%

Source: [Bankrate.com](http://Bankrate.com) | [View rates in your area](#)



updated 6:43 p.m. ET, Fri., July. 18, 2008

NEW YORK - Freddie Mac Chairman and Chief Executive Richard Syron pocketed nearly \$19.8 million in compensation last year, according to a Securities and Exchange Commission filing Friday, even though the mortgage company's stock lost half its value in 2007.

If Syron stays at the helm of Freddie Mac through the end of next year, he will receive nearly \$20 million in stock awards if the board says he has met certain goals. This year, he is guaranteed to get \$8.8 million in stock grants regardless of performance.

For 2007, Syron received a \$1.2 million salary, a \$3.45 million bonus, including \$1.25 million to remain at the company, and \$771,585 in other compensation. He also received stock and options valued by the company at \$14.3 million at the time they were awarded.

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The company last year picked up the tab for Syron's [financial](#) planning expenses, car and driver for commuting, home security system, business-related dining and travel costs for his wife and \$100,000 in legal fees from negotiating his employment contract.

Syron also received \$898,444 from dividends on restricted stock and options he holds.

If Syron resigns or is fired with cause, he will owe the company \$1.25 million. But if he is fired without cause, he will pocket \$19.1 million.

The Associated Press calculations of total pay include executives' salary, bonus, incentives, perks, the estimated value of [stock options](#) and awards granted during the year and above-market returns on deferred compensation. The calculations don't include changes in the present value of pension benefits and sometimes differ from the totals released by the companies.

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[Freddie Mac takes step toward issuing stock](#)

## Paulson defends Freddie-Fannie assistance Fannie-Freddie rescues could cost taxpayers What you need to know about Fannie, Freddie

The news of Syron's pay package comes after the government pledged on Sunday to help provide larger [credit](#) lines for Freddie and its sister company Fannie Mae. The Treasury Department will ask Congress to allow it to buy equity stakes in the two if necessary.

The Federal Reserve also has stepped in and said it would open a special lending option to the pair.

The lenders hold or guarantee \$5.3 trillion of mortgage debt, about half the outstanding mortgages in the U.S. Experts agree the sustainability of Freddie and Fannie is key to helping prevent the already beleaguered real estate market from getting worse.

[Shares](#) of Freddie rose 87 cents, or 10 percent, to \$9.20 in late afternoon trading. Fannie's stock rose \$2.64, or 24 percent, to \$13.57.

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[Mortgage Mess Section Front](#)

## Background and early career [edit]

Cuomo is the elder son of former [New York](#) Governor [Mario Cuomo](#) and the older brother of [ABC News](#) journalist [Chris Cuomo](#). Andrew and his ex-wife, [Kerry Kennedy](#), the seventh child of [Robert F. Kennedy](#) and [Ethel Skakel Kennedy](#), have three daughters. The couple announced their separation in 2003 and have subsequently divorced.

He attended [Archbishop Molloy High School](#) in [Queens, NY](#), graduating in 1975. He then attended [Fordham University](#) and received his [J.D.](#) from [Albany Law School](#).<sup>[1]</sup> He was a top aide to his father during his father's 1982 campaign for Governor. He then joined the Governor's staff as one of his father's top policy advisors, a position he filled on and off during his father's 12-year governorship. Cuomo became active in issues affecting the [homeless](#) and housing policy in New York during the 1980s and 1990s. He founded a non-profit organization focused on homeless and housing issues, [Housing Enterprise for the Less Privileged](#), or HELP.

During the administration of former [New York City Mayor David Dinkins](#), Cuomo served as Chairman of the New York City Homeless Commission, which was charged with developing policies to end the homeless crisis in the city and to develop more housing options.

## Political career [edit]

## Clinton Cabinet position [edit]

### 11th United States Secretary of Housing and Urban Development

#### In office

January 29, 1997 – January 20, 2001

**President** [Bill Clinton](#)

**Preceded by** [Henry Cisneros](#)

**Succeeded by** [Mel Martinez](#)

**Born** December 6, 1957 (age 51)  
[Queens, New York](#)

**Political party** [Democratic](#)

**Spouse** [Kerry Kennedy](#) (1990-2003)

**Children** Cara  
Michaela  
Mariah

**Alma mater** [Fordham University](#) (B.A.)  
[Albany Law School](#) (J.D.)

**Religion** [Roman Catholic](#)

Andrew Cuomo was appointed to the [Department of Housing and Urban Development](#) in 1993, as a member of President [Bill Clinton](#)'s administration. After the departure of Secretary [Henry Cisneros](#) at the end of Clinton's first term under a cloud of an FBI investigation, Cuomo succeeded him as HUD Secretary in 1997, serving until 2001 when Clinton's administration ended. In 1998, Cuomo's lauded work in the department garnered speculation that he could challenge Senator [Al D'Amato](#) but he ultimately declined, saying that he had more things to revamp in the Department. He was also mentioned as a candidate for [U.S. Senator in 2000](#) but deferred to First Lady [Hillary Rodham Clinton](#).

Journalist [Wayne Barrett](#) of the [Village Voice](#) has said that during his time as HUD Secretary, Andrew Cuomo "gave birth to the [mortgage crisis](#)" by pushing for further gains in homeownership, partly because of his unethical ties with the housing industry.<sup>[2]</sup>

## New York Gubernatorial campaign

[\[edit\]](#)

In 2002, Cuomo ran unsuccessfully for the Democratic nomination for the Governor of New York. His running mate was [Charles King](#). Though rival [Carl McCall](#) was the favorite of the Democratic establishment, Cuomo initially had more momentum and led in fundraising and polls. A turning point in the campaign was on April 17, 2002, when Cuomo said "[Pataki](#) stood behind the leader. He held the leader's coat. He was a great assistant to the leader. But he was not a leader. Cream rises to the top, and [Rudy Giuliani](#) rose to the top." The remarks were widely derided, and even his father Mario later admitted it was a mistake.<sup>[3]</sup>

On the eve of the state convention, he withdrew from its consideration when he concluded that he had little chance of its support as opposed to the favored party candidate, H. [Carl McCall](#), the-then State Comptroller.<sup>[4]</sup> Later, in September 2002, on the all-but-certain defeat that loomed in the state primary, again at the hands of McCall, Cuomo withdrew from the race, but his name remained on the ballot, as it did in the general election, as the Liberal party candidate. In the primary, the withdrawn candidate only received 14% of the vote. And then in the general election, he received about 16,000 votes, out of 2.2 million cast, handing a costly defeat to the Liberal Party, which thereby lost its automatic spot on the New York ballot. McCall, who ran a poor campaign and failed to resonate with voters, was defeated in a landslide by Governor [George Pataki](#).

## Campaign for New York Attorney General

[\[edit\]](#)

*Further information:* [New York attorney general election, 2006](#)

Some expected him to run for Governor of New York again, as a candidate for the Democratic nomination in 2006, but Cuomo decided against a run when New York State Attorney General [Eliot Spitzer](#) entered the race in late 2004. Cuomo declared his candidacy for the Democratic nomination for [New York State Attorney General](#) in 2006, and on May 30, 2006, captured the Democratic Party's endorsement, receiving 65 percent of the delegates' votes. Though Cuomo won the endorsement, former New York City Public Advocate [Mark J. Green](#), [Charlie King](#), a two-time candidate for [lieutenant governor](#), and [Sean Patrick Maloney](#), a former aide to President Clinton, also earned places on the Democratic [primary election](#) ballot.<sup>[5]</sup> King dropped out of the race before the primary and endorsed Cuomo.<sup>[*citation needed*]</sup>

Cuomo won the primary with a majority of the vote, defeating his nearest opponent by over 20%. He won the [general election](#) against the [Republican](#) nominee, former [Westchester DA Jeanine Pirro](#) on November 7, 2006, winning 58%-40%, the closest statewide race that year. Cuomo won [New York City](#) in a landslide, and did quite well upstate, defeating Pirro in the Buffalo, Rochester, Syracuse, and Albany areas, as well as in Westchester and Rockland counties. Cuomo only narrowly defeated Pirro on [Long Island](#).

## Notable Work as Attorney General

[\[edit\]](#)

### Police surveillance by the

[\[edit\]](#)

### Governor's Office

*Main article: [Troopergate \(New York\)](#)*

On July 23, 2007, Cuomo's office admonished the [Spitzer administration](#) for ordering the State Police to keep special records of then-Senate majority leader [Joseph L. Bruno](#)'s whereabouts when he traveled with police escorts in New York City.<sup>[6]</sup> At the direction of top officials of the Spitzer administration, the [New York State Police](#) created documents meant to cause political

The Paterson Executive Chamber		
OFFICE	NAME	TERM
<a href="#">Governor</a>	<a href="#">David Paterson</a>	2008 <span>–</span> <span>→</span>
<a href="#">Lieutenant Governor</a>	<a href="#">Malcolm Smith (Acting as)</a>	<span>–</span> <span>→</span>
<a href="#">Secretary to the Governor</a>	<a href="#">William J. Cunningham III (Acting as)</a>	2008 <span>–</span> <span>→</span>
<a href="#">General Counsel</a>	<a href="#">Terryl Brown-Clemens</a>	2008 <span>–</span> <span>→</span>
<a href="#">Communications Director</a>	<a href="#">Risa Heller</a>	2008 <span>–</span> <span>→</span>
<a href="#">Director of State Operations</a>	<a href="#">Dennis Whalen</a>	2008 <span>–</span> <span>→</span>
<a href="#">Chief of Staff</a>	<a href="#">Jon Cohen</a>	2008 <span>–</span> <span>→</span>
<a href="#">Office of the Attorney General</a>	<a href="#">Andrew Cuomo</a>	2008 <span>–</span> <span>→</span>

damage to Bruno.<sup>[7]</sup> The governor's staff had stated they were responding to a Freedom of Information request from the *Albany Times-Union* in late June.<sup>[6]</sup> A scathing 57-page report issued by the Attorney General's office concluded that Spitzer aides did not simply produce records, as the state Freedom of Information Law requires, but were instead engaged in planning and producing media coverage concerning Senator Bruno's travel on state aircraft before any FOIL request was made.<sup>[8][9]</sup> The investigation looked into both Bruno's travel and the senate leader's allegation that Spitzer used State Police to spy on him. A year long investigation and a 57 page report was drawn up by AG Cuomo's office and leaked by Democratic State operatives (though not tied to AG Cuomo's office) to the Spitzer Group that has since been charged with numerous felonies involving illegal use of state positions and resources, to smear Senator Bruno, one of New York State's **"three men in a room"**.<sup>[10]</sup>

It also suggests that the governor's staff lied when they tried to explain what they had done and forced the State Police to go far beyond their normal procedures in documenting Mr. Bruno's whereabouts.<sup>[11]</sup>

The report cleared Bruno of any misuse of the state's air fleet, which had been alleged.<sup>[12][13][14][7]</sup> The report criticized Spitzer's office for using State Police resources to gather information about Bruno's travel and releasing the information to the media.<sup>[13]</sup> **New York**

Office of the Inspector General	<b>Joseph Fisch</b>	•••
Office of the Comptroller	<b>Thomas DiNapoli</b>	2008•••
Department of Agriculture and Markets	<b>Patrick Hooker</b>	2008•••
Department of Banking	<b>Richard H. Neiman</b>	2008•••
Department of Civil Service	<b>Nancy G. Groenwegen</b>	2008•••
Department of Correctional Services	<b>Brian Fischer</b>	2008•••
Department of Environmental Conservation	<b>Alexander Pete Grannis</b>	2008•••
Department of Education	<b>Richard P. Mills</b>	2008•••
Department of Health	<b>Richard F. Daines</b>	2008•••
Department of Insurance	<b>Eric R. Dinallo</b>	2008•••
Department of Labor	<b>M. Patricia Smith</b>	2008•••
Department of Motor Vehicles	<b>David Swarts</b>	2008•••
Department of Military & Naval Affairs	<b>Maj. Gen. Joseph J. Taluto</b>	2008•••
Department of Public Service	<b>Gary A. Brown</b>	2008•••
Secretary of State	<b>Lorraine Cortés-Vázquez</b>	2008•••
Department of Taxation & Finance	<b>Robert L. Megna</b>	2008•••
Department of Transportation	<b>Astrid C. Glynn</b>	2008•••

**Republican State Committee** Chairman **Joseph Mondello** claimed that "Today's explosive report by Attorney General Andrew Cuomo validates the frightening charges that Governor Spitzer's administration abused the New York State Police and New York's F.O.I.L.

laws in an attempt to set up Senate Majority Leader Joseph Bruno"<sup>[6]</sup> and that "This disturbing abuse of power by a Governor is unprecedented."<sup>[6]</sup> The findings of the report were endorsed by Spitzer's own Inspector General, Kristine Hamann.<sup>[6][13][14][10]</sup>

Spitzer responded at a July 23 press conference that "As governor, I am accountable for what goes on in the executive branch and I accept responsibility for the actions of my office"<sup>[6]</sup> and that his administration had "grossly mishandled"<sup>[6]</sup> the situation.<sup>[14]</sup> The

Governor issued an apology to Senator Bruno and stated that "I apologized to Senator Bruno and I did so personally this morning [...]

In addition, I apologized to the men and women of the State Police, and to acting Superintendent Preston Felton personally for

allowing this esteemed institution to be drawn into this matter."<sup>[6]</sup> Felton said he didn't realize he was part of a political scheme, and claimed in a written statement that "I have never, in my 26-year career with the state police, knowingly undertaken any such action and never would [...]

To the extent that circumstances previously not known to me have now given rise to that appearance, I am particularly saddened."<sup>[10]</sup>

Spitzer subsequently announced that he would indefinitely suspend his communications director, Darren Dopp, and reassign another

top official.<sup>[15]</sup> When questioned about his promise to bring a new dawn of ethical responsibility to state politics, Spitzer responded by

saying "I will not tolerate this behavior [...] ethics and accountability must and will remain rigorous in my administration",<sup>[7]</sup> and that "I have always stated that I want ethics and integrity to be the hallmarks of my administration. That is why I requested that the State

Inspector General review the allegations with respect to my office, and that is why we have fully cooperated with both inquiries."<sup>[12]</sup> As

of July 2007, Cuomo's office was considering recommending disciplinary action against the Governor's office.<sup>[8]</sup>

## Student Loan Inquiry

[\[edit\]](#)

In 2007, Cuomo has been active in a high profile investigation into lending practices and anti-competitive relationships between student lenders and universities. Specifically, many universities steered student borrowers to "preferred lender" which resulted in those borrowers incurring higher interest rates. This has led to changes in lending policy at many major American universities. Many universities have also rebated millions of dollars in fees back to affected borrowers.<sup>[16][17]</sup>

## The Safety of Facebook

[[edit](#)]

Andrew Cuomo has spoken out against [Facebook](#), saying that it is not safe enough for minors.<sup>[18]</sup>

"My office is concerned that Facebook's promise of a safe web site is not consistent with its performance in policing its site and responding to complaints," Cuomo stated on September 25, 2007. "Parents have a right to know what their children will encounter on a web site that is aggressively marketed as safe."

Cuomo cites an investigation by the Office of Attorney General which discovered "deficiencies that stand in contrast to the reassuring statements made on the web site and by company officials." This investigation found numerous occurrences of other users approaching undercover Facebook accounts for adult reasons, as well as lewd or pornographic Facebook groups that users under 18 were allowed to join.

## Controversies

[[edit](#)]

In the August 5, 2008 issue of *The Village Voice*, Wayne Barrett argued that Andrew Cuomo made a series of decisions as Secretary of [HUD](#) between 1997 and 2001 that helped give birth to the country's current credit crisis:

"He took actions that—in combination with many other factors—helped plunge Fannie and Freddie into the subprime markets without putting in place the means to monitor their increasingly risky investments. He turned the Federal Housing Administration mortgage program into a sweetheart lender with sky-high loan ceilings and no money down, and he legalized what a federal judge has branded "kickbacks" to brokers that have fueled the sale of overpriced and unsupportable loans. Three to four million families are now facing foreclosure, and Cuomo is one of the reasons why."<sup>[19]</sup>

On November 7, 2007, as part of his probe into the mortgage industry as New York Attorney General Cuomo announced subpoenas for [Freddie Mac](#) (FRE) and [Fannie Mae](#) (FNM) requesting the companies retain an independent examiner to review mortgages and

appraisals.<sup>[*citation needed*]</sup> Cuomo sued [First American Corporation](#) (FAF) and its eAppraiseIT unit for allegedly colluding with

[Washington Mutual](#) to use a list of select appraisers to inflate mortgage appraisals.<sup>[*citation needed*]</sup> Washington Mutual stock responded

with a sharp decline.<sup>[*citation needed*]</sup> [CNBC's Jim Cramer](#) labeled Cuomo a "communist" who "wants to shut down the mortgage

market.”<sup>[20]</sup>

On June 10, 2008, Cuomo, then New York Attorney General, announced that three major Internet service providers ([Verizon Communications](#), [Time Warner Cable](#), and [Sprint](#)) would "shut down major sources of online child pornography" by no longer hosting many [Usenet](#) groups. Time Warner Cable ceased offering Usenet altogether, Sprint no longer provides access to the [alt.\\* hierarchy](#), and Verizon limiting its Usenet offerings to the [Big 8](#). The moves came after Cuomo's office located 88 different newsgroups that contained [child pornography](#). Barry Steinhardt, director of the [American Civil Liberties Union](#)'s technology and liberty program, compared the action to "taking a sledgehammer to an ant."<sup>[21]</sup>

## United States Senate

[[edit](#)]

*See also: [Possible appointment choices for the New York Senate seat](#)*

After [Hillary Rodham Clinton](#) became Barack Obama's choice for the position of [U.S. Secretary of State](#), Governor [David Paterson](#) was charged with appointing a temporary replacement until a [special election in 2010 for the conclusion of her Class 1 seat](#). Cuomo was seen as a leading contender for this appointment (in fact, his name was first mentioned dating back to the 2008 Presidential primaries).<sup>[22][23]</sup> [Caroline Kennedy](#) (the first cousin of Cuomo's ex-wife) was another leading contender, but withdrew for personal reasons two days before Paterson was set to announce his choice, leaving Cuomo and Rep. [Kirsten Gillibrand](#) as the most likely appointees.<sup>[24][23]</sup> On January 24th, Paterson announced he was naming Gillibrand to the Senate.

## Personal life

[[edit](#)]

Cuomo was married to [Mary Kerry Kennedy](#), the seventh child of Robert F. Kennedy, for 13 years. They have 3 children together, Cara, Michaela and Mariah, and were divorced in 2003. He is reportedly dating Food Network star [Sandra Lee](#).<sup>[25][26]</sup>

## 2006 New York State Democratic Ticket


[[edit](#)]

- Governor: [Eliot Spitzer](#)
- Lieutenant Governor: [David Paterson](#)
- Comptroller: [Alan Hevesi](#)

v • d • e

**Cabinet of President Bill Clinton (1993–2001)****Cabinet**[\[show\]](#)**Secretary of State** [Warren Christopher](#) (1993–1997) • [Madeleine Albright](#) (1997–2001)**Secretary of the Treasury**[Lloyd Bentsen](#) (1993–1994) • [Robert Rubin](#) (1995–1999) •[Lawrence Summers](#) (1999–2001)**Secretary of Defense**[Les Aspin](#) (1993–1994) • [William Perry](#) (1994–1997) • [William Cohen](#) (1997–2001)**Attorney General**[Janet Reno](#) (1993–2001)**Secretary of the Interior**[Bruce Babbitt](#) (1993–2001)**Secretary of Agriculture**[Mike Espy](#) (1993–1994) • [Dan Glickman](#) (1994–2001)**Secretary of Commerce**[Ron Brown](#) (1993–1996) • [Mickey Kantor](#) (1996–1997) • [William Daley](#) (1997–2000) •[Norman Mineta](#) (2000–2001)**Secretary of Labor**[Robert Reich](#) (1993–1997) • [Alexis Herman](#) (1997–2001)**Secretary of Health**[Donna Shalala](#) (1993–2001)**and Human Services****Secretary of Education**[Richard Riley](#) (1993–2001)**Secretary of Housing**[Henry Cisneros](#) (1993–1997) • **Andrew Cuomo** (1997–2001)**and Urban Development****Secretary of Transportation**[Federico Peña](#) (1993–1997) • [Rodney Slater](#) (1997–2001)**Secretary of Energy**[Hazel O'Leary](#) (1993–1997) • [Federico Peña](#) (1997–1998) • [Bill Richardson](#) (1998–2001)**Secretary of Veterans Affairs**[Jesse Brown](#) (1993–1997) • [Togo West](#) (1998–2000) • [Hershel Gober](#), act. (2000–2001)

<b>Cabinet-level</b> <span style="float: right;">[show]</span>	
<b>Vice President</b>	Al Gore (1993→2001)
<b>White House Chief of Staff</b>	Mack McLarty (1993→1994) • Leon Panetta (1994→1997) • Erskine Bowles (1997→1998) • John Podesta (1998→2001)
<b>Administrator of the Environmental Protection Agency</b>	Carol Browner (1993→2001)
<b>Ambassador to the United Nations</b>	Madeleine Korbelt Albright (1993→1997) • Bill Richardson (1997→1998) • Richard Holbrooke (1999→2001)
<b>Director of the Office of Management and Budget</b>	Leon Panetta (1993→1994) • Alice Rivlin (1994→1996) • Franklin Raines (1996→1998) • Jacob Lew (1998→2001)
<b>Director of National Drug Control Policy</b>	Lee Brown (1993→1995) • Barry McCaffrey (1996→2001)
<b>Trade Representative</b>	Mickey Kantor (1993→1997) • Charlene Barshefsky (1997→2001)
<b>Director of the Federal Emergency Management Agency</b>	James Witt (1993→2001)

v • d •  **Current elected and appointed statewide political officials of New York** [show]

<b>U.S. Senate</b>	Chuck Schumer • Kirsten Gillibrand
<b>State government</b>	David Paterson, Governor • <i>vacant</i> , Lieutenant Governor • <b>Andrew Cuomo</b> , Attorney General • Thomas DiNapoli, Comptroller
<b>Senate</b>	Malcolm Smith, Majority Leader • Dean Skelos, Minority Leader
<b>Assembly</b>	Sheldon Silver, Speaker • Ronald Canestrari, Majority Leader • James Tedisco, Assembly Minority Leader
<b>Court of Appeals</b>	Jonathan Lippman, Chief Justice • Carmen Beauchamp Ciparick • Robert Smith • Victoria Graffeo • <span style="color: red;">(appointed) Susan Phillips Read • Eugene Pigott, Jr. • Theodore Jones</span>



Political offices		
Preceded by <b>Henry Cisneros</b>	<b>U.S. Secretary of Housing and Urban Development</b> 1997 – 2001	Succeeded by <b>Mel Martinez</b>
Legal offices		
Preceded by <b>Eliot Spitzer</b>	<b>New York State Attorney General</b> 2007 – <i>present</i>	<b>Incumbent</b>
Party political offices		
Preceded by <b>Betsy McCaughey Ross</b>	<b>Liberal Party Nominee for Governor of New York</b> 2002	Succeeded by <b>No ballot line</b>

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*[For many years, Catherine Austin Fitts has written and spoken profusely about her experiences as Assistant Secretary of Housing and Urban Development (HUD). Perhaps the greatest lesson she learned there is that HUD was being run as a criminal enterprise, most likely financing a black budget and targeting American neighborhoods with narcotics trafficking and mortgage fraud. In this article, she discloses extremely disturbing facts about former HUD Secretary, [Andrew Cuomo](#)—how he came to power and the ways in which he and his associates may have benefited from 9/11. Even more disturbing is the fact that Cuomo is currently running for Attorney General of the State of New York, and doing so without investigation into the facts that this article discloses.*

*The mortgage insurance, securities and financial transactions at HUD ran through the big Wall Street firms and big banks who would have benefited from the housing and mortgage bubbles and other policies instituted or supported by Cuomo. [These large financial institutions benefited](#) as a result of the looser monetary policies and increased government spending that flowed out of 9/11. The New York Attorney General's Office clearly plays a powerful oversight role with respect to many of these institutions.*

*One of the disturbing aspects of 9/11 was the insurance legislation pushed through shortly afterwards, reportedly with the help of leadership by former [AIG head Maurice Greenberg](#). Lucy Komisar has reported on Cuomo's father's support of Greenberg and asked the important question as to how Cuomo's office would handle Greenberg who was investigated by the current Attorney General, Elliot Spitzer. From the Wilderness has written about AIG's involvement in Arkansas and the [Coral Insurance deal](#) with the state agency that handled all the HUD programs. This is only one example of the web of players and questions around Cuomo.*

*Another concern for Catherine Austin Fitts is the physical harassment that she experienced starting in 1997 while being overtly targeted by Andrew Cuomo with the help of the legal department that he managed as HUD Secretary. While she does not know who authorized, financed or did it, she can verify that these are the tactics that will be effective in slowing the truth of 9/11 from coming out. When she spoke at the National Press Club to launch the [UnAnswered Questions website](#), her body was covered with spreading brown spots which her doctor now states, based on recent testing and the symptoms, was arsenic poisoning. She thought she was going to die but went ahead with the speech anyway and then spent days in bed recovering. Although it was not her best speech, lucky for all of us, Mike Ruppert came in by conference call and it was one of his best speeches.—CBJ*

## Unanswered Questions about Andrew Cuomo

By Catherine Austin Fitts

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## “HUD is Being Run as a Criminal Enterprise”

In 2000, three and a half years after Andrew Cuomo became Secretary of the Department of Housing and Urban Development (“HUD”), I met with a senior staff assistant to the Chairman of one of the appropriations committees for HUD. When I asked what was going on at HUD, the staff assistant said, “HUD is being run as a criminal enterprise.” I replied, “I don’t disagree.”

Cuomo’s reign at HUD was not the first time that HUD had been run by a New Yorker with ambitions for higher office. From 1989-1990, I served as Assistant Secretary of Housing and Federal Housing Commissioner in the first Bush Administration and watched Jack Kemp, a former Congressman from Buffalo, try to balance the politics of getting ahead with the needs of citizens and communities at a federal agency in which special interests had traditionally had the upper hand.

At the beginning of the Clinton Administration in 1993, Kemp was replaced by former San Antonio mayor, Henry Cisneros, who recruited a new team of HUD political appointees, including Andrew Cuomo as Assistant Secretary of Community Planning and Development.

After leaving HUD in 1990, I had started an investment bank and financial software developer, The Hamilton Securities Group. In September 1993, under Cisneros, Hamilton was hired by the Federal Housing Administration (FHA), the mortgage insurance arm of HUD, in a competitive bid process to serve as lead financial advisor. Hamilton’s responsibilities included designing and implementing a \$10 billion loan sale program between 1994 and 1997 and providing portfolio strategy support for what was then a \$400 billion portfolio of mortgage insurance-in-force, mortgages and real estate.<sup>1</sup>

A few weeks after Clinton’s re-election in November 1996, Cisneros resigned to manage the results of a Department of Justice investigation into his disclosure regarding payments to his former mistress. He was replaced by Andrew Cuomo after an unexpected federal investigation regarding HUD grants removed the Mayor of Seattle from consideration.<sup>2</sup> In one short period, the Department of Justice knocked out the Secretary and the leading contender for Secretary, paving the way for Andrew Cuomo.

The following year, Cuomo fired Hamilton in a highly political manner, canceling the loan sales program on the false pretext that HUD could not do loan sales without Hamilton. Creating political air cover for Cuomo’s cancellation were allegations filed by a litigious HUD contractor who was subsequently showered with a generous contract and settlement by HUD under Cuomo. The contractor’s allegations were the basis of a combined HUD Inspector General and Department of Justice investigation which, like the investigation of the Mayor of Seattle, came up empty.

One of the chief beneficiaries of Cuomo’s ascendancy to Secretary and the subsequent cancellation of the loan sales were the developers, owners and managers of apartment buildings that were subsidized by HUD and often financed through FHA and Ginnie Mae. Ginnie Mae is the HUD unit which guarantees securities issued to finance pools of mortgages insured by FHA. Many of these apartment buildings had been originally financed through tax shelter syndications.

The largest HUD subsidized portfolio at the time was the one owned by Insignia, chaired by Andrew Farkas. On September 5, 2006, as Andrew Cuomo was running for the democratic nomination for Attorney General of New York, Wayne Barrett published “Andrew Cuomo’s \$2 Million Man” in the *Village Voice*.<sup>3</sup> Barrett reported

that Cuomo's compensation from Farkas's company, Island Capital, in 2004 and 2005 totaled \$1.2 million and that Farkas family members and business associates had donated \$800,000 to Cuomo's campaigns since he left HUD. Barrett describes Cuomo's role as Secretary of HUD in approving an-out-of-court settlement with Insignia (regarding litigation alleging a HUD subsidy being improperly used to pay kickbacks) shortly before Insignia's sale to AIMCO (Apartment Investment And Managing Company) in 1998.

With Insignia valuations reflecting the benefits of its settlement of the kickback litigation, the cancellation of the HUD loan sales and related policies increasing the private value of HUD subsidized portfolios, Farkas sold out to AIMCO in 1998 for \$910 million<sup>4</sup>, described by his attorney as a "fantastic price."<sup>5</sup>

A question that remains unanswered is whether the price of the Insignia sale to AIMCO in 1998 was simply fantastic or whether --given the pattern of events around it -- it was inflated with government resources and decisions arranged in a criminal manner.

This question raises a second question -- whether the \$2 million that Farkas and his network have paid to Cuomo and his campaigns since then represent a kickback from the Insignia sale to AIMCO and whether Cuomo's compensation is simply fantastic or something more.

### **Andrew Farkas & HUD Landlords**

In 1995, HUD officials asked Hamilton to help them define their options related to their portfolio of subsidized apartment buildings. HUD had provided significant amounts of "project-based" subsidies to fund these apartment buildings. A project-based subsidy is one that funds and is attached to a building as opposed to tenant-based vouchers that fund payment of rents by a tenant. Essentially, a project-based subsidy goes to the building owner and manager. A tenant-based voucher can move with the tenant from building to building. Many of the apartment buildings supported by expiring HUD project-based subsidies had been financed with mortgages insured by FHA and enjoyed the financial benefits of a variety of federal tax benefits.

There were a significant number of apartment buildings in the HUD subsidized portfolio that had project-based subsidy contracts expiring during the second half of the 1990's. Federal decisions as to whether to renew expensive project-based subsidy contracts or instead offer more cost effective tenant vouchers, whether to refinance existing mortgages or auction them if they defaulted and whether or not some partnerships would be subject to recapture of prior tax benefits would have a dramatic impact on the profitability of companies like Insignia. Data supplied by HUD to Hamilton at the time showed that the tenant population in question was primarily women and children with high percentages of elderly and minority. A significant number were drawing on welfare, health care and other federal payments.

As the debate and the budgetary implications of the expiring contracts on HUD-subsidized apartment buildings developed, I received an unexpected call at Hamilton from Andrew Farkas. He explained that it was essential that all subsidies go to the owners of the properties in the form of "project-based" assistance. He said that if the subsidy were used to fund tenant vouchers that the tenants would simply use the voucher to buy drugs (the mechanics of exactly how this would transpire were unclear) and then their children would go homeless. I was so taken aback by his tone that I suggested to him that portraying his tenants as people who were not worthy of government funding might not be the best way to argue his case for project-based subsidy. He seemed quite displeased with my suggestion.

If Farkas was not happy with Hamilton's advice as lead financial advisor, he was not the only one. It was our job to regularly estimate or quantify the impact of HUD's

decisions on the federal budget and on communities. Our work was identifying the price that HUD was paying to fund projects in ways that served special interests rather than satisfied objective criteria of financial performance regarding government investment and the health of our housing infrastructure and communities. This financial transparency was causing some government leaders to reconsider their options, while others remained committed to politics as usual.

After Insignia, NHP (a non-profit organization providing quality affordable multi-family housing for low and moderate-income families) was the second-largest HUD subsidized owner and manager until it was also purchased by AIMCO. At a dinner of the National Multi-Housing Council in early 1996, NHP's chairman was clear with me. Renewal of expiring long-term HUD subsidy contracts were important to NHP's profits. The federal government was morally obligated to subsidize him and other HUD landlords, regardless of the cost to taxpayers or performance for communities relative to more economically sound options. Performance was irrelevant compared to the long-term profits "promised" to HUD insiders. He would not say exactly who had made these "promises."

In 1996, I took the pricings on the HUD defaulted mortgage portfolio to staff of HUD's Hope VI public housing construction program. I explained that HUD had substantial single-family inventory in those same communities. Empty single-family homes could be bought and repaired at a fraction of the price of new construction of public housing by private developer. The HUD official said, "but then how would we generate fees for our friends?"

Our estimates at that time indicated that the federal government was spending \$55,000 a year for a woman and 1.8 children (on average) to live in HUD-subsidized private housing with welfare and food stamps in high-cost areas in a manner such that they would, and indeed could, never become taxpayers and get off the dole. Our analysis showed that the federal government was spending more per person to fund the HUD-housed poor than the annual average income of the American taxpayer who was being asked to fund the rising cost of the debt issued to pay for this.

HUD was spending \$150-250,000 per unit to build Hope VI public housing while HUD-foreclosed homes that could be bought and fixed up for \$50,000 were available a block away. We were paying large corporations \$35-150 dollars an hour to do things that people who lived in those neighborhoods – given advances in information and telecommunications technology -- could be trained to do. The implications were enormous: theoretically, at least, there was the opportunity, using more accurate place-based information, to place public finances on a sounder footing in which the tax payers' investment returns were positive. The potential savings across the federal budget were in the billions.

As the economics of various choices became clearer, tension emerged between HUD landlords and special interests looking for a new and richer round of "fees for our friends" and a new generation of reformers who saw an opportunity to reinvigorate America's workforce and communities in the face of globalization and the movement of jobs and pension fund capital to countries with younger, more productive populations.

The HUD landlords were best described by a statement made to me by Dick Ravitch, chairman of the AFL-CIO housing trust and a HUD developer from New York, over dinner at the Jockey Club: "As long as I can get government subsidies, what do I care if people have education or jobs?" Traditional interests were committed to using government subsidies and financing to ignore fundamental issues of productivity. While this would enrich private interests, it would accelerate the issuance of increasing amounts of federal mortgage and Treasury debt, weakening the federal credit and committing future generations to an impossible debt burden.

The reformers were exemplified by the HUD loan sales team who had succeeded in

more than doubling the recovery rates on defaulted HUD loans from 35% to 70-90%, generating \$2.2 billion of funding for HUD and deficit reduction. Later audits would indicate that these methods were better for communities than HUD's traditional methods. However, these higher recoveries were coming out of the profits of companies like NHP and Insignia at a time when investors were making windfall profits on privatizations globally. Lower profits on HUD-related properties then multiplied through to a lower value of their stock.

I was pretty sure where Andrew Cuomo stood in all of this. As reported by Lucy Komisar in "Fees for Our Friends", available on her website, "The Komisar Scoop:<sup>6</sup>"

Inspector General audit chief Chris Greer was in a meeting with Cuomo and HUD IG (Inspector General) Susan Gaffney. Cuomo told them that he was planning to get rid of Fitts and Hamilton Securities. Greer recalled, "It had to do with some audits we were doing. There were proposals that would affect a bunch of folks in New York that had a lot of money and who could help Cuomo. One proposal was called 'mark to market' and had to do with the Section 8 [rental subsidies] program. I was managing all the multi-family programs at the time. Cuomo wanted to do away with what we tried to put in place, the 'mark to market' program. It would have killed a HUD tax-avoidance program...."

Greer pointed out, "If there had been 'mark to market,' it would treat the HUD Section 8 program like private mortgages in private industry and market them at their true values. You wouldn't have inflated subsidies, and you would have had more subsidies to give more people. Or you would save tremendous amounts of money that could be used for other purposes. Billions of dollars. Hamilton was a driver on that along with a couple of other folks in HUD. But Cuomo didn't do it. Money was wasted on these mortgages, the money that went into the fat cats' pockets."

He added, "Cuomo clearly had no use for Austin Fitts. The fights with Fitts were political. Everything Cuomo did was political; he was a totally political animal. He ran the CDP [Community Development Program] block grant in HUD for a long time and fixed the system so awards would be made to places he wanted them made to for political reasons, primarily in New York, because he had his eyes on going back and running for governor."

Sometime after being told by Greer that Cuomo, still Assistant Secretary of Community Planning and Development, had indicated that he was planning on getting rid of me and Hamilton, I learned that Cuomo had referred a complaint on the loan sales to the HUD Inspector General. The subsequent investigation was short and found nothing. That's when John Ervin started to make noise.

### **John Ervin Targets HUD Loan Sales**

John Ervin was the founder of Ervin & Associates, a HUD contractor that was servicing defaulted HUD multifamily mortgages. Ervin's business was shrinking as the loan sale program sold off the mortgages and HUD no longer needed a contractor to service them. Hired while Kemp was Secretary, Ervin's relationship with HUD deteriorated during Cisneros's time until HUD fired Ervin for default related to contract performance.

In mid-1996 Ervin filed two lawsuits, one against HUD and the other, a *qui tam* lawsuit<sup>7</sup> filed under seal, against Hamilton and several successful loan sale bidders. Both lawsuits alleged corruption in the loan sale program and were accompanied by extensive lobbying of Congress and the Washington press by Ervin. The *qui tam* investigation was delegated by the Department of Justice to the HUD Inspector

General Susan Gaffney, continuing until 2001.[8](#)

I had been informed by the head of FHA in early 1996 that he ignored a White House request that he not award a new contract to Hamilton. At the time of Ervin's secret filing against Hamilton in mid-1996, Scott Nordheimer, a multifamily developer active in both assisted housing and Hope VI housing, had informed me at a housing industry dinner that I would be the target of a frame, saying, "Well, we tried to have you fired through the White House but that did not work, so now the big boys have gotten together and [decided] you are going to prison." Nordheimer was a convicted felon whose associated success in winning HUD development grants during Cuomo's period at HUD became controversial as tenants with felony records were being evicted from HUD-funded developments.[9](#)

In October, 1997, with Ervin's and Gaffney's efforts creating an environment supportive of "reforming" Cisneros's financial reforms, Cuomo fired Hamilton for the convenience of the government, using as a pretext a mistake that a subcontractor had made (and which had been reported voluntarily to HUD almost a year before) on two highly profitable and successful loan sales, and withheld payment of \$2.2 million owed to Hamilton.

The litigation between Ervin, Hamilton and HUD was finally settled in 2006 after Hamilton's insistence on trials resulted in Ervin and HUD ending up empty-handed with nothing to show for a decade-long fishing expedition other than the mistake Hamilton had voluntarily reported long before we were fired and which had no cash impact on HUD. Meanwhile, Hamilton had produced evidence indicating foul play by HUD, including an affidavit of a HUD Inspector General auditor who had been pressured to falsify her results and left the agency when she would not.[10](#)

So where would Ervin get the money to finance such an operation? In 1997, one reporter who interviewed Ervin at his office reported to me that he had a staff of 17 people working full-time on the litigation and related campaigning. While all the sources of Ervin's financing remains an unanswered question, we do know that HUD/Ginnie Mae under Cuomo awarded Ervin contracts in 1998 while Ervin was suing HUD.[11](#) As a former Assistant Secretary, I can affirm how unusual it is to give contracts to a contractor who was fired for default, has no special skills and is suing the agency. We also know that HUD agreed to a \$2MM settlement with Ervin in 2000 at the end of Cuomo's tenure at HUD after Ervin's allegations had been proved false and our attorney was adamant that there was no need for HUD to pay Ervin anything, let alone millions. As Cuomo exited HUD to run unsuccessfully for Governor of New York, I was left to deal with a well-financed Ervin for another five years.

### **Disappearing Pricing Data**

In 1994, Hamilton was retained by NHP to value its multifamily portfolio and related property management business in anticipation of NHP's selling stock to the public. In the process, Hamilton created a detailed simulation of NHP's apartment buildings and related tax shelter partnerships and mortgage financings that gave us insight into the impact of various federal policies on the financial value of privately owned HUD-subsidized multifamily portfolios.

The following year, with significant data provided by HUD, we reviewed the impact of various federal policies on the entire HUD-subsidized portfolio. Then, in 1996, we developed, priced and helped HUD sell several portfolios of mortgages collateralized by partially and fully-subsidized HUD apartment buildings. Using this data and extensive publicly available databases, we built a suite of software tools that illuminated the value of HUD portfolios as well as the flows of government investment in places and the land, real estate and other assets it impacted.

Using Hamilton's pricing infrastructure, it would have been possible in early 1998 to quickly value how much of Insignia's \$910 million sale to AIMCO, agreed to on March 17, 1998, reflected increases in values resulting from Cuomo's decisions to cancel the loan sales, settle Insignia's litigation and change expiring contract policies to favor owners. Except for one problem. At the time of our firing by Cuomo in late 1997, HUD's contracting office had required that HUD data, including publicly available data, be scrubbed from Hamilton's computers. Then Hamilton's entire pricing and digital infrastructure was moved under court control the week before Insignia's sale to AIMCO at the request of HUD's Inspector General. Many years later, when the court returned control of Hamilton's inventory, many of the most valuable software tools were mysteriously missing.

Insignia was far from the only company cashing out during this period or the only interest threatened by illumination of government housing and mortgage data and government investment by place. During this time, numerous companies profiting from the large flow of government subsidies, financing and enforcement actions associated with poor people and poor communities, including private prison companies, were doing a brisk business. This was the early stage in the largest housing and mortgage market bubble in history combined with rising prices in the stock market. There were numerous companies and government agencies benefiting from a combination of insider information and the absence of transparency of government investment by place.<sup>1213</sup>

How many others who benefited from the destruction of Hamilton's software tools and databases have financed Cuomo and his campaigns since he left HUD? This is another question about Andrew Cuomo that has yet to be answered. However, the subsequent decline in HUD finances while Cuomo was Secretary is well documented.

### Missing Money

The federal fiscal year for 1999 started in October 1998, the month that AIMCO reported closing its purchase of Insignia and HUD engineered Ginnie Mae contracts to John Ervin, providing \$800,000 in contract payments to Ervin over the next two years.

HUD failed to produce audited financial statements that year. Its opening balance from fiscal 1998 required undocumentable adjustments of \$17 billion. To force the books to balance in 1999 required \$59 billion in undocumentable adjustments.<sup>14</sup> For its audit in 2000, Cuomo's last year in office, HUD declined to make public the amount of undocumentable adjustments required to balance the books.<sup>15</sup>

HUD's inability to produce audited financial statements in 1999 was attributed to HUDCAPS, a system installed and operated with the help of AMS, a contractor who had been paid \$206 million since 1993. In contrast to Cuomo's treatment of Hamilton, AMS was not fired, nor were payments due AMS withheld. Research to date shows no record of AMS or its employees being investigated as a result of the HUDCAPS failures and the extraordinary level of undocumentable adjustments to HUD's books.

Not surprisingly, HUD's rental assistance programs remained on the high-risk list maintained by the Congressional auditor, the General Accounting Office, which is now called the General Accountability Office (GAO).<sup>16</sup>

These events raise another disturbing question about Andrew Cuomo. Why did HUD finances melt down under Cuomo's leadership and what, if anything, does that have to do with the billions flowing to large HUD landlords from the government and the stock market, and the millions now flowing back to Andrew Cuomo and his campaigns years later?

## The Heart of the Matter

In 1997, members of my team working with HUD (now led by Cuomo) asked me to authorize Hamilton helping HUD to prepare its next budget using assumptions on the multifamily portfolio that were known to be false. For example, we were to presume that HUD's apartment portfolio would not be impacted by welfare reform legislation that had been enacted the year before. As federal data indicated that high concentrations of tenants in privately-owned HUD-subsidized housing in large urban areas were getting federal welfare and/or food stamp subsidies, this made no sense. Our assessment was that the combined assumptions that HUD wished to use would make it easier for private owners to displace tenants in a way that would leave the tenants out in the cold without vouchers, while appropriations were preserved to fund project-based subsidies for HUD landlords.

At one point, the Hamilton team leader for our work with HUD came over to my house to try to persuade me that we should help HUD do this. He said that if we did not help HUD with the budget, he was concerned that we would be fired. We agreed that HUD was probably going to persuade the Office of Management and Budget (OMB) that they could trust the budget, because Hamilton helped prepare it; hence, my concern that our involvement would be used to perpetuate a fraudulent budget. I asked him to define the value of our contract in terms of an acceptable level of children going homeless or dying. How many children should we help be forced to the streets so that we could keep our contract? Suddenly, he stopped and said something like, "Why am I doing this? So what if we lose our contract? We have better things to do in our life than be a party to murder." To which I replied, "Now you have it."

I tell this story to remind the reader that we have become a society where the most dangerous serial killers who stalk our land kill with a pen and not with a sword. The most important unanswered question about Andrew Cuomo's time at HUD goes beyond how or why he and his agency engineered gains into Andrew Farkas, John Ervin and so many other private pockets. The more important question is how many people went without basic necessities because Cuomo diverted resources away from honest taxpayers and the people that HUD was created to serve. How many children in New York and around the country went homeless or worse because vouchers or job training were not available?

This is the most important unanswered question.

## Attorney General of New York

Last month, while traveling outside of the US, I declined to read the materials on an investment, because the jurisdiction of the non-disclosure agreement that I was asked to sign was a state in the United States known for significant corruption in its enforcement and court system. In a highly competitive global market, why bother taking risk related to US corruption? The investment group understood completely and quickly delegated the agreement to a foreign entity, permitting me to sign under the jurisdiction of the country I was visiting. It is a country known for its lawfulness. They informed me that I was not the only person to make such a request.

It may sound like a little thing, until you realize the growing number of investors around the world who do not want to be exposed to the banana republic style corruption now perceived to be epidemic in the United States.

New York is the center of the financial markets in the United States. The health of these markets depends on investors' faith in the integrity of their governance. The perception that the lead New York regulator is a politician who exploits the power of his or her office for personal ambition and finances will impact the flow and pricing of capital throughout the United States.

My recommendation, to both New Yorkers and members of the US financial and legal establishment concerned with America's ability to attract capital in global markets, is that they ensure that the unanswered questions relating to Andrew Cuomo's dealings with Andrew Farkas and Insignia and any other HUD-related special interests that have financed him and his campaigns be investigated and answered before Andrew Cuomo is permitted to hold public office again.

*Catherine Austin Fitts is the President of Solari, Inc. She is a former Managing Director and member of the board of Dillon, Read & Co. Inc, Assistant Secretary of Housing-Federal Housing Commissioner under Bush I and President of The Hamilton Securities Group, Inc.*

## ENDNOTES

<sup>1</sup> For background on Hamilton's work for HUD, see Hamilton litigation archive at <http://www.solari.com/gideon>

<sup>2</sup> See Rice's Loss Of HUD Job Is City Of Seattle's Gain  
The Seattle Times  
December 21, 1996  
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Susan Byrnes  
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<http://archives.seattletimes.nwsourc.com/cgi-bin/taxis.cgi/web/vortex/display?slug=2552113&date=19970730&query=Rice+%2B+HUD+%2B+Investigation>

<sup>3</sup> See Andrew Cuomo's \$2 Million Man  
By Wayne Barrett, with special reporting by Alex Altman and Alicia Lozano  
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<sup>4</sup> See  
Registration of Securities by AIMCO (with description of Insignia Merger)  
September 4, 1998  
<http://www.sec.gov/Archives/edgar/data/926660/0000950134-98-007408.txt>

1998 AIMCO SEC Filings  
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<http://www.sec.gov/cgi-bin/browse-edgar?type=&dateb=1999%2F01%2F01&owner=include&count=40&action=getcompany&CIK=0000926660>

<sup>5</sup> See Andrew Cuomo's \$2 Million Man  
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<sup>6</sup> See Fees for Our Friends: The Scandal that Taints Andrew Cuomo  
By Lucy Komisar

The Komisar Scoop  
August, 2006

Part One: <http://thekomisarscoop.com/2006/08/22/fees-for-our-friends-the-scandal-that-taints-andrew-cuomo/>

Part Two: <http://thekomisarscoop.com/2006/08/30/fees-for-our-friends-the-andrew-cuomo-scandal-the-vendetta/>

<sup>7</sup> See description of *qui tam* lawsuit at [http://en.wikipedia.org/wiki/Qui\\_tam](http://en.wikipedia.org/wiki/Qui_tam)

<sup>8</sup> See archive on Hamilton litigation at <http://www.solari.com/gideon>

For more on Scott Nordheimer and Hope VI Felon Eviction Policy, see:  
Convicted swindler in city housing

By John DeVault

Common Denominator

May 21, 2001

[http://thecommondenominator.com/052101\\_news1.html](http://thecommondenominator.com/052101_news1.html)

DCHA tenants ask to manage complex

By John DeVault

Common Denominator

July 2, 2001

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Metro miscue?

By John DeVault

Common Denominator

October 22, 2001

[http://thecommondenominator.com/102201\\_news1.html](http://thecommondenominator.com/102201_news1.html)

<sup>10</sup> Affidavit of HUD Auditor

June 15, 1999

<http://www.solari.com/gideon/legal/background/Denver%20Auditor%20Affidavit.pdf>

<sup>11</sup> For copy of FOIA disclosure on HUD/Ginnie Mae Contract Awards to John Ervin, October 1998, see <http://www.dunwalke.com/resources/foia.htm>

<sup>12</sup> See Dillon, Read & Co. Inc and the Aristocracy of Prison Profits, by Catherine Austin Fitts, <http://www.dunwalke.com>

<sup>13</sup> See Where is the Collateral? Part I and II

By Chris Sanders

Sanders Research Associates

October 28, 2003

[http://www.wheristhemoney.org/S00223\\_collateral.htm](http://www.wheristhemoney.org/S00223_collateral.htm)

As well as supporting material on 1998 Congressional hearings on Congressional Hearings in 1998 on CIA narcotics trafficking allegations:

Congressional Record

May 2, 1998

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<sup>15</sup> See Kelly Patricia O'Meara's 'Missing Money' Series on HUD

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**Apgar Joins Cuomo on AMCO's Advisory Board**

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## Apgar Joins Cuomo on AMCO's Advisory Board

William C. Apgar, former Commissioner of the Federal Housing Administration (FHA) and currently Senior Scholar at the Joint Center for Housing Studies at Harvard University, has been appointed to AMCO's Advisory Board.

"In my roles within government and academia, I have come to appreciate the need for accuracy and compliance in the mortgage lending and valuation industries. For many years, there were simply no good methods to create accurate and compliant lending while still maintaining profitability and savings for the public. I have joined AMCO's Advisory Board, along with the former Secretary of HUD, The Honorable Andrew M. Cuomo in order to facilitate the development and distribution of products and services that create absolute compliance, accuracy and profitability."

"Apgar is one of the finest minds in the residential housing industry," stated AMCO Chairman and CEO, Edward J. Davidson. "His addition to our Advisory Board allows us to use his enormous expertise in the creation of leading edge products and services."

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**Mr. Edward J. Davidson**  
**Chairman and Chief Executive Officer**




 **AMCO**  
Mayfield Heights, Ohio

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**Board Memberships and Affiliations**

No membership or affiliation information is available.

**Certifications**

No certification information is available.

**Education**

- Northwestern University School of Law

**Biography**

No biography information is available.





March 11, 2005

Mr. Armando Falcon, Jr.  
Director  
Office of Federal Housing Enterprise Oversight  
1700 G Street, NW  
4<sup>th</sup> Floor  
Washington DC 20552

Dear Mr. Falcon:

*Board of Advisors*

The Honorable  
Andrew M. Cuomo  
*Former Secretary of HUD  
Chairman, Board of Advisors*

The Honorable  
Jack F. Kemp  
*Former Secretary of HUD*

William C. Apper  
*Former Commissioner of the  
FHA*

Edward J. Davidson  
*Chairman and CEO of  
AMCO*

Patrick J. Moore  
*Director of AMCO*

We are members of the Board of Advisors of AMCO, one of the nation's largest valuation management firms and the following are our comments on the OFHEO proposed rule for the GSEs. We applaud OFHEO's effort to better regulate Fannie Mae and Freddie Mac's role in mortgage fraud, particularly involving appraisals. The attached surveys and responses of appraisers exhibit the rampant degree of fraudulent over valuation in the residential marketplace. According to virtually every industry resource, over 50% of appraisals have been improperly influenced by lenders, many of which have been purchased by FNMA and Freddie Mac. In fact, the sale of these mortgages by lenders to the GSEs has reduced the responsibility of lenders for not appropriately controlling the improper influence of production staffs and real estate brokers upon valuations, as directed by FIRREA.

We are aware that the GSEs have taken the position that:

1. They should not and cannot police seller servicers of loans in their valuation practices.
2. Their automated models are sufficient to pinpoint fraudulent situations.
3. Doing pre delinquency field reviews of under one fifth of one percent of their loan portfolios offers sufficient protection to the system.
4. Field reviews are appropriately handled by the servicer of the loan being audited

Obviously, the methodology used by the GSEs has been unsuccessful in either

- a) Uncovering instances of fraud; or fraudulent over valuation; or
- b) Discouraging fraud and fraudulent over valuation from the residential marketplace.

If the existing surveys of appraisers are, in any manner, accurate; the average overvaluation on between 25% and 50% of all loans is over 10% of the fair market value. This would create billions of dollars worth of over valued properties, many of which are the result of fraud.

We recommend strongly to OFHEO that the GSEs not be permitted to create their own methodology to insure that valuation fraud is reported. A problem with the GSEs is that they have an interest in not reporting fraud as it may negatively impact their relationship with those lenders which are their customers and create larger numbers of repurchases, which would have negative implications upon the rating and returns on their mortgage backed securities.

Accordingly, we believe strongly that the GSEs should have a minimum percentage of the loans within their securities field reviewed by a totally independent source within a year of acquisition. This percentage could vary yearly with the results of the prior year's testing results. The entity managing and ordering the field review must have no connection to the loan, specifically excluding the GSE, the seller and the servicer.

The sampling should be done in a totally random pattern determined by OFHEO. It should consist of what is known as a re-appraisal in which an appraiser other than the one who created the original appraisal, reviews the pictures and work product of the original appraiser in order to determine if it was proper and accurate when first done. In the event that any appraisal is found to be improper, this should (i) be included in a report to OFHEO and (ii) trigger repurchase immediately under the terms of the GSE's agreement with the seller of the loan. In the event that a pattern of fraud by a particular lender or appraiser is found, further audits of their valuations would be done, at the cost and expense of the lender.

This would have tremendous benefits to the entire system. Lenders, aware of the much greater scrutiny, would more carefully police their practices and procedures for ending improper appraisals. The GSEs would be protected against over statements of the collateral value securing loans, which can create material misstatements of bad debt reserves and capital requirements.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Cuomo". The signature is fluid and cursive, with a large initial "A" and "C".

The Honorable Andrew M. Cuomo  
Former Secretary of HUD  
Chairman, Board of Advisors

Enclosures

**[Code of Federal Regulations] [Title 12, Volume 5]  
[Revised as of January 1, 2003]**

From the U.S. Government Printing Office via GPO  
Access [CITE: 12CFR564.1]

[Page 312-313]

**TITLE 12--BANKS AND BANKING**

**CHAPTER V--OFFICE OF THRIFT SUPERVISION, DEPARTMENT OF THE TREASURY**

**1. PART 564--APPRAISALS--Table of Contents**

**Sec. 564.1 Authority, purpose, and scope.** (APPRAISERS NOTES – As seen throughout in **PURPLE**.)

*1. This is chapter 5, section 564 of the FIRREA Banking Laws, which specifically governs Banks relationships with Appraisers. ***This is the law!****

(a) **Authority.** This part is issued by the Office of Thrift Supervision ('OTS') under title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ('FIRREA') (Pub. L. 101-73, 103 Stat. 183, 511 (1989)), 12 U.S.C. 3301 et seq., and the Home Owners' Loan Act ('HOLA'), 12 U.S.C. 1461 et seq., as amended by FIRREA.

(b) Purpose and scope. (1) Title XI provides protection for federal financial and public policy interests in real estate related transactions by requiring real estate appraisals used in connection with federally related transactions to be performed in writing, in accordance with uniform standards, by appraisers whose competency has been demonstrated and whose professional conduct will be subject to effective supervision. This part implements the requirements of title XI and applies to all federally related transactions entered into by the OTS or by institutions regulated by the OTS ('regulated institutions').

(2) This part: (i) Identifies which real estate-related financial transactions require the services of an appraiser;

(ii) Prescribes which categories of federally related transactions shall be appraised by a State certified appraiser and which by a State licensed appraiser; and

(iii) Prescribes minimum standards for the performance of real estate appraisals in connection with federally related transactions under the jurisdiction of the OTS.

**Sec. 564.2 Definitions.**

(a) Appraisal means a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion as to the market value of an adequately described property as of a specific date(s), supported by the presentation and analysis of relevant market information.

(b) Appraisal Foundation means the Appraisal Foundation established on November 30, 1987, as a not-for-profit corporation under the laws of Illinois.

(c) Appraisal Subcommittee means the Appraisal Subcommittee of the Federal Financial Institution Examination Council.

(d) Business loan means a loan or extension of credit to any corporation, general or limited partnership, business trust, joint venture, pool, syndicate, sole proprietorship, or other business entity.

(e) Complex 1-to-4 family residential property appraisal means one in which the property to be appraised, the form of ownership, or market conditions are atypical.

**2. (f) Federally related transaction means any real estate-related financial transaction entered into on or after August 9, 1990, that:**

- (1) The OTS or any regulated institution engages in or contracts for; and
- (2) Requires the services of an appraiser.

## ***2. This is the definition of what a federally related transaction is, and is accordingly, regulated by the OTS.***

(g) Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(h) Real estate or real property means an identified parcel or tract of land, with improvements, and includes easements, rights of way, undivided or future interests, or similar rights in a tract of land, but does not include mineral rights, timber rights, growing crops, water rights, or similar interests severable from the land when the transaction does not involve the associated parcel or tract of land.

(i) Real estate-related financial transaction means any transaction involving:

- (1) The sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof; or
- (2) The refinancing of real property or interests in real property; or
- (3) The use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

**3. (j) State certified appraiser means any individual who has satisfied the requirements for certification in a State or territory whose criteria for certification as a real estate appraiser currently meet the minimum criteria for certification issued by the Appraiser Qualifications Board of the Appraisal Foundation. No individual shall be a State certified appraiser unless such individual has achieved a passing grade upon a suitable examination administered by a State or territory that is consistent with and equivalent to the Uniform State Certification Examination issued or endorsed by the Appraiser Qualifications Board of the National Foundation. In addition, the Appraisal Subcommittee must not have issued a finding that the policies, practices, or procedures of the State or territory are inconsistent with title XI of FIRREA. The OTS may, from time to time, impose additional qualification criteria for certified appraisers performing appraisals in connection with federally related transactions within its jurisdiction.**

## ***3. The paragraph above states that a certified appraiser by virtue of having said license is providing adequate credentials in conjunction with the competency provision which is later seen in section 564.6 (b), and accordingly, said work, must be accepted, by your institution.***

(k) State licensed appraiser means any individual who has satisfied the requirements for licensing in a State or territory where the licensing procedures comply with title XI of FIRREA and where the Appraisal Subcommittee has not issued a finding that the policies, practices, or procedures of the State or territory are inconsistent with title XI. The OTS may, from time to time, impose additional qualification criteria for licensed appraisers performing appraisals in connection with federally related transactions within its jurisdiction.

(l) Tract development means a project of five units or more that is constructed or is to be constructed as a single development.

(m) Transaction value means:

(1) For loans or other extensions of credit, the amount of the loan or extension of credit;

(2) For sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved; and

(3) For the pooling of loans or interests in real property for resale or purchase, the amount of the loan or market value of the real property calculated with respect to each such loan or interest in real property.

**Sec. 564.3 Appraisals required; transactions requiring a State certified or licensed appraiser.**

(a) Appraisals required. An appraisal performed by a State certified or licensed appraiser is required for all real estate-related financial transactions except those in which:

(1) The transaction value is \$250,000 or less;

(2) A lien on real estate has been taken as collateral in an abundance of caution;

(3) The transaction is not secured by real estate;

(4) A lien on real estate has been taken for purposes other than the real estate's value;

(5) The transaction is a business loan that:

(i) Has a transaction value of \$1 million or less; and

(ii) Is not dependent on the sale of, or rental income derived from, real estate as the primary source of repayment;

(6) A lease of real estate is entered into, unless the lease is the economic equivalent of a purchase or sale of the leased real estate;

(7) The transaction involves an existing extension of credit at the lending institution, provided that:

(i) There has been no obvious and material change in market conditions or physical aspects of the property that threatens the adequacy of the institution's real estate collateral protection after the transaction, even with the advancement of new monies; or

(ii) There is no advancement of new monies, other than funds necessary to cover reasonable closing costs;

4.(8) The transaction involves the purchase, sale, investment in, exchange of, or extension of credit secured by, a loan or interest in a loan, pooled loans, or interests in real property, including mortgaged-backed securities, and each loan or interest in a loan, pooled loan, or real property interest met OTS regulatory requirements for appraisals at the time of origination;

(9) The transaction is wholly or partially insured or guaranteed by a United States government agency or United States government sponsored agency;

**4. The above paragraph is inclusive of all lenders involved in wholesale mortgage loan origination. This includes any lenders who deal in Pooled Loans and Mortgage Backed Securities.**

(10) The transaction either:

**5.** (i) Qualifies for sale to a United States government agency or United States government sponsored agency; or

**5. This includes HUD, SBA, Municipal Bonds, & all sectors of gov't.**

**6.** (ii) Involves a residential real estate transaction in which the appraisal conforms to the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation appraisal standards applicable to that category of real estate;

**6. This paragraph pertains to all FNMA, and Freddie Mac related transactions where most wholesalers broker their mortgage paper. For lenders who refuse to comply with approving appraisers who have evidenced competency: 564.6 (b) to perform an assignment, the appraiser will report your refusal to add us to your approved list to both FNMA and Freddie Mac, and you will be removed as an approved FNMA-Freddie Mac lender. In addition we will have our legal counsel file a writ for a Cease and Desist order to shut your institution down from continued operations. See: ENFORCEMENT Sec 564.7**

(11) The regulated institution is acting in a fiduciary capacity and is not required to obtain an appraisal under other law; or

(12) The OTS determines that the services of an appraiser are not necessary in order to protect Federal financial and public policy interests in real estate-related financial transactions or to protect the safety and soundness of the institution.

(b) Evaluations required. For a transaction that does not require the services of a State certified or licensed appraiser under paragraph (a)(1), (a)(5) or (a)(7) of this section, the institution shall obtain an appropriate evaluation of real property collateral that is consistent with safe and sound banking practices.

(c) Appraisals to address safety and soundness concerns. The OTS reserves the right to require an appraisal under this part whenever the agency believes it is necessary to address safety and soundness concerns.

(d) Transactions requiring a State certified appraiser--(1) All transactions of \$1,000,000 or more. All federally related transactions having a transaction value of \$1,000,000 or more shall require an appraisal prepared by a State certified appraiser.

(2) Nonresidential and residential (other than 1-to-4 family) transactions of \$250,000 or more. All federally related transactions having a transaction value of \$250,000 or more, other than those involving appraisals of 1-to-4 family residential properties, shall require an appraisal prepared by a State certified appraiser.

(3) Complex residential transactions of \$250,000 or more. All complex 1-to-4 family residential property appraisals rendered in connection with federally related transactions shall require a State certified appraiser if the transaction value is \$250,000 or more. A regulated institution may presume that appraisals of 1-to-4 family residential properties are not complex, unless the institution has readily available information that a given appraisal will be complex. The regulated institution shall be responsible for making the final determination of whether the appraisal is complex. If during the course of the appraisal a licensed appraiser identifies factors that would result in the property, form of ownership, or market conditions being considered atypical, then either:

(i) The regulated institution may ask the licensed appraiser to complete the appraisal and have a certified appraiser approve and co-sign the appraisal; or  
(ii) The institution may engage a certified appraiser to complete the appraisal.

(e) Transactions requiring either a State certified or licensed appraiser. All appraisals for federally related transactions not requiring the services of a State certified appraiser shall be prepared by either a State certified appraiser or a State licensed appraiser.

(f) Effective date. Savings associations are required to use State certified or licensed appraisers as set forth in this part no later than December 31, 1992.

Sec. 564.4 Minimum appraisal standards.

For federally related transactions, all appraisals shall, at a minimum:

7. (a) Conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation, 1029 Vermont Ave., NW., Washington, DC 20005, unless principles of safe and sound banking require compliance with stricter standards;

**7. Lenders who require that a state certified appraiser must personally inspect the subject property are in violation of USPAP, which clearly states that trainees or associates can inspect the property on behalf of the state certified appraiser, which is why Certified Appraisers hire others to work for them.**

(b) Be written and contain sufficient information and analysis to support the institution's decision to engage in the transaction;

(c) Analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units;

(d) Be based upon the definition of market value as set forth in this part; and

(e) Be performed by State licensed or certified appraisers in accordance with requirements set forth in this part.

Sec. 564.5 Appraiser independence.

(a) Staff appraisers. If an appraisal is prepared by a staff appraiser, that appraiser must be independent of the lending, investment, and collection functions and not involved, except as an appraiser, in the federally related transaction, and have no direct or indirect interest, financial or otherwise, in the property. If the only qualified persons available to perform an appraisal are involved in the lending, investment, or collection functions of the regulated institution, the regulated institution shall take appropriate steps to ensure that the appraisers exercise independent judgment and that the appraisal is adequate. Such steps include, but are not limited to, prohibiting an individual from performing an appraisal in connection with federally related transactions in which the appraiser is otherwise involved and prohibiting directors and officers from participating in any vote or approval involving assets on which they performed an appraisal.

8. (b) Fee appraisers. (1) If an appraisal is prepared by a fee appraiser, the appraiser shall be engaged directly by the regulated institution or its agent, and have no direct or indirect interest, financial or otherwise, in the property or the transaction.

**8. An appraisal may be made out to an AGENT, as engaged by same; which is any licensed person working in behalf of a client; ie, Real Estate Agent, Mortgage Brokerage Agency, Title Agency, etc.**

9. (2) A regulated institution also may accept an appraisal that was prepared by an appraiser engaged directly by another financial services institution, if:

**9. An appraisal written to "XYZ" Bank may be used by "ABC" Bank.**

(i) The appraiser has no direct or indirect interest, financial or otherwise, in the property or the transaction; and

(ii) The regulated institution determines that the appraisal conforms to the requirements of this part and is otherwise acceptable.

**Sec. 564.6 Professional association membership; competency.**

10. (a) Membership in appraisal organizations. A State certified appraiser or a State licensed appraiser may not be excluded from consideration for an assignment for a federally related transaction solely by virtue of membership or lack of membership in any particular appraisal organization.

**10. This is regardless of having or not having an MAI/SRA/ASA or other membership as I am licensed and state certified.**

(b) Competency. All staff and fee appraisers performing appraisals in connection with federally related transactions must be State certified or licensed, as appropriate. However, a State certified or licensed appraiser may not be considered competent solely by virtue of being certified or licensed. Any determination of competency shall be based upon 11. the individual's experience and educational background as they relate to the particular appraisal assignment for which he or she is being considered.

**11. I have 22 years of appraisal experience. No complaints have ever been filed, after completing nearly 10,000 appraisal assignments.**

**12. Sec. 564.7 Enforcement.**

Institutions and institution-affiliated parties, including staff appraisers and fee appraisers, who violate this part may be subject to removal and/or prohibition orders, cease and desist orders, and the imposition of civil money penalties pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1811 et seq., as amended, or other applicable law.

**12. This is where the judiciary and police actions will be implemented. Per the next paragraph below our attorney's will file a motion with the court to have your institution Cease and Desist from doing further business. If you deny us the right to do business, be assured, we will stop you from doing business!**

**12a. We will immediately file a report with the Department of the Treasury and the FDIC for any attempt to restrain Trade when a 3rd party client has requested our companies appraisal services to be brokered through your institution, and YOUR company refuses to accept our work, at the risk of severe penalties and possibly revocation of your companies banking charter.**

**THE APPRAISAL FOUNDATION INDUSTRY ADVISORY COUNCIL MEMBERS**

[http://www.appraisalfoundation.org/s\\_appraisal/doc.asp?CID=62&DID=259](http://www.appraisalfoundation.org/s_appraisal/doc.asp?CID=62&DID=259)

ACI

Allstate Appraisal, L.P.

American Appraisal Associates, Inc.

ARGUS Software

Brentwood Property Appraisal, Inc.

CB Richard Ellis

Clearbox, LLC.

Clear Capital

Collateral Risk Solutions, Inc.

Cengage Learning CompuTaught

Countrywide Bank/Landsafe

Cushman & Wakefield, Inc.

E\*Trade Financial

eAppraiseIt, LLC

Fidelity National Information Services Company

Forsythe Appraisals, LLC

Fiserv Lending Solutions

FNC, Inc.

Grant Thornton, LLP

The Holyfield Company

Indymac Federal Bank

InsideValuation Partners, LLC

Integra Realty Resources

Interthinx

Lehman Brothers/Aurora Loan Services

Liability Insurance Administrators

Marshall & Stevens, Inc.

MDA Lending Solutions

Mortgage Information Services, Inc.

NewTower Trust Company

NAJA Appraisers, Inc.

Price Waterhouse Coopers, LLP

Property Sciences Group, Inc.

Pro-Teck Services

Prudential Financial

Reis Valuation

SAI Group, Inc.

Strategic Development Worldwide

The William Fall Group

Valocity

ValueScape, LLC

Wells Fargo Bank

## PRESS RELEASE

Millions of homes are going into foreclosure and Real Estate Appraisers and Mortgage brokers are being held as the scapegoats for the present financial disaster, known as the mortgage meltdown.

Are they responsible or are there other factors that have created this financial turmoil?

Appraisers have been pressured for higher values. The cause of said value increases is clear as explained in the paragraph below.

At 8% - 30 years for \$1,284 per month you qualify for a loan for a \$175,000 home. At 2.5% - 30 years at \$1,284 per month you qualify for a \$325,000 home loan, so qualify you do, and the \$175,000 home cost you \$325,000, and the lenders oftentimes allowed homebuyers to make these purchases with little or no money down.

When the Federal Reserve (The Fed) increases interest rates, just a bit, values start declining, and the housing industry spins into turmoil. The Fed also decreased them expanding the financial balloon that was designed to explode from the onset. The Fed created the catastrophe, and the end result was that Americans property tax liability and insurance rates doubled generating more income for the government coffers.

A lawsuit commences with allegations that an appraisal management company (AMC) eAppraisIT/Fares were opening appraisal files (PDF's) in behalf of Washington Mutual (WAMU) and modifying appraisal reports to close their deals.

In steps, NY Attorney General Andrew Cuomo; former secretary of HUD, and now attorney General for the State of NY, who was previously advisory legal council to an AMC known as AMCO. Mr. Coumo prompts an investigation into the wrong doings of said AMC. This is the same Andrew Cuomo who had allegedly taken kickbacks from HUD vendors, and again was legal council for an AMC (AMCO). (see links provided at the end of this document)

Coumo then signs an agreement with Fannie Mae, Freddie Mac and HUD which will ONLY allow AMC's or Lenders to directly order appraisals, and mortgage brokers no longer can order appraisal reports..

### Why has the Fox been assigned the duties of guarding the Henhouse?

Is it because there may be a conflict with motive of personal interest with AMC;s for attorney General Cuomo?  
We ask the press to investigate this possibility of insider connections.



[Click here to see full size image](#)



[Click here to see full size image](#)

**What are AMC;s** – They collect appraisal fees and oftentimes do title work for loan closings. They assign work to appraisers as mere middlemen. They take ½ or more of the appraisal fee. They have been working on monopolizing the 3 billion dollar appraisal industry for years. The vehicle wherein they conspire to do so is known as The Title/Appraisal Vendor Management Association, (TAVMA) side by side with the Appraisal Foundation wherein they are deemed industry advisory council members.

The Chairman of TAVMA is also the CEO of Countrywide/Landsafe whose take home pay last year was \$125 million dollars, wherein a typical appraiser makes \$40,000 to \$100,000 annually before taxes. Landsafe - Countrywides' AMC generated 7 to 10 million dollars by skimming the lions share of appraisal fees in their WORST month, August of last year, when they originated *just* 38 BILLION dollars in loans.

The largest AMC, Lenders Services Inc (LSI) processed over 50% of all mortgage loan applications in the US, thereby, a mere handful of AMC's already control the majority of the 3 billion dollar a year industry. (See LSI reference on last page of release)

Deception and outright fraud saturate home closing statements (RESPA statements – so called “truth in lending statements”). Fees for appraisal services for residential homes are oftentimes stated at \$450 to \$650, whereas the AMC’s contract the appraisers to do the work for 1/2 to 1/3<sup>rd</sup> of what they collect.

The propaganda moved forward by the Cuomo pact with the AMC’s is touted as the “Appraiser Independence initiative”, but in truth it is the “Appraisers Slavery Pact”.

The obstacles that hinder the efforts of appraisers to actually have **appraiser independence** lie within “appraisal organizations”. Shawn McGowan was last years Chairman of the Industry Advisory Council to the Appraisal Foundation. He is the current CEO of Velocity (AMC), and was formerly with eAppraisIT namely the one Cuomo was investigating for fraud.

It may be a coincidence, but McGowan, James Lockhart of HUD, Richard Syron (Freddie Mac), and Daniel Mudd (Fannie Mae), all being signatories to the agreement initiated by Cuomo are Harvard law school alumni.

Coincidence perhaps, or wealthy elitists determined to take control of the multibillion dollar appraisal fee industry; wherein they all appear to be interconnected and said monopolization will accrue to the benefit of the few. Press, you decide, and please investigate!

Sadly, this does not only mean the beginning of the end for appraisal practioneers, as they are expected to work faster, cheaper, and better, as is the motto of TAVMA. Most AMC’s are demanding that appraisers turn their assignment around in 24 to 48 hours, whereas 1 week, even 2 weeks was quite typical before appraisers have been pushed to the limit.

This also means that the consumer cannot expect to receive quality work with research and verification calls made by appraisers to see if their were sales concessions or deferred maintenance issues, or illegal additions, etc. on comparable properties, as time cannot permit it. The detriment to the consumer will assuredly be shoddy work by underpaid overworked appraisers who will be prone to mistakes, as ample time to perform good work is not in TAVMAS motto. Furthermore, appraisers who have spent 10 or 20 years building a client base will have their businesses wiped out overnight come January 2009 if this Cuomo agreement comes to fruition.

Moreover, mortgage brokers also will likely be forced out of business (another middle man the big lenders seek to eliminate) as if they cannot order appraisals, then they are not in a position to shop for the best loan for their client; the consumer/borrower. Mortgage brokers are agents and must work in that capacity if they are to function in their jobs.

The loss in jobs to America between appraisers who may or may not be approved to work for an AMC at less than 1/2 the compensation they received a decade ago, along with mortgage brokers will likely mean another million lost jobs in America if this Coumo pact in not stopped.

We seek the help of the press in exposing this Cuomo agreement with Freddie Mac/Fannie Mae and HUD for what is; a scheme by elitist monopolists to control yet another facet of free American enterprise for their personal gain. -

We seek to abolish Appraisal Management Companies, state by state through enacted legislation that want to employ and completely manage every aspect of the appraisal profession, force unrealistic fees on appraisers in lieu of continuing work, coerce appraisers for unethical appraisal results, intimidate appraisers through exclusionary lists for non-compliance, and basically eliminate appraisers as a third party entity that were originally relied upon for an unbiased opinion of value.

Please contact any of the appraisers below for more information

Bryan Parkhurst 914-232-2200 [Bkpappraisals@aol.com](mailto:Bkpappraisals@aol.com)

Pinchus Glauber 917-325-0853 [pinchus@bestatedappraisals.com](mailto:pinchus@bestatedappraisals.com)

Ron Howson 661-944-0156 [ronhowson@sbcglobal.net](mailto:ronhowson@sbcglobal.net)

Rafeal Otero 305-798-4835 [rotero1st@gmail.com](mailto:rotero1st@gmail.com)

Armando Acosta (813) 849-2004 [aacosta@afsappraiser.com](mailto:aacosta@afsappraiser.com) -or- [ghaflorida@hotmail.com](mailto:ghaflorida@hotmail.com)

Craig Butterfield 954-929-6094 [Craig@Butterfieldappraisals.com](mailto:Craig@Butterfieldappraisals.com)

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[Please see the list of the Harvard Alumni Lawschool along with the U of Virginia Law School Alumni.](#)

**Andrew Cuomo** – NY Attorney General – Former Secretary of HUD

[http://en.wikipedia.org/wiki/Andrew\\_Cuomo](http://en.wikipedia.org/wiki/Andrew_Cuomo)

[http://fromthewilderness.com/free/ww3/092106\\_about\\_cuomo.shtml](http://fromthewilderness.com/free/ww3/092106_about_cuomo.shtml)

So has Mr. Coumo been duped into believing the the AMC's or banks should order the appraisals as they have some inherent INTEGRITY? See Below:

[http://appraisalnewsonline.typepad.com/appraisal\\_news\\_for\\_real\\_e/2008/01/jennifer-wertz.html](http://appraisalnewsonline.typepad.com/appraisal_news_for_real_e/2008/01/jennifer-wertz.html)

Perhaps it is because Cuomo was chairman of the advisory council of a competing AMC (AMCO) to the one he was investigating - ya think? Read LINK Below:

[http://findarticles.com/p/articles/mi\\_hb5554/is\\_200410/ai\\_n21845108](http://findarticles.com/p/articles/mi_hb5554/is_200410/ai_n21845108)

**Shawn Mc Gowan** – CEO of Valocity – Last years CEO of the Appraisal Foundation.

This years Trustee of the Appraisal Foundation

<http://www.allbusiness.com/government/government-bodies-offices-legislative/5611415-1.html>

The following link talks about: "McGowan comes to Valocity from eAppraisal/Wamu (Remember, the company that was opening and doctoring Appraisal PDF's) where he was responsible for research, analysis and implementation of the company's strategic initiatives and alliances"

Alliances = COLLUSION - Click on the LINK BELOW:

[http://findarticles.com/p/articles/mi\\_m0EIN/is\\_2004\\_April\\_26/ai\\_n5997872](http://findarticles.com/p/articles/mi_m0EIN/is_2004_April_26/ai_n5997872)

Please note McGowans insatiable **LUST** for greed/power and monopoly. McGowan, who is already tied in with the Sec of Hud, with the proposed NEW RESPA disclosure, writes an article, to disguise and lump sum all three closing fees (Appraisal/Title/Credit Report) under one intermeshed fee to CONFUSE the borrower, by providing INACCURATE settlements disclosure. McGowans AMC just happens to provide those three services. Suffice it to say, McGowan calls it SIMPLIFYING the closing statement.

**McGowans' ideology -- "Mr. Grocer, how much were those apples? – McGowan states, it doesn't matter, it's included in the price of the milk, and cheese, and at only 100 dollars – why ask?**

<http://www.allbusiness.com:80/finance/3596467-1.html>

<http://a257.g.akamaitech.net/7/257/2422/01jan20081800/edocket.access.gpo.gov/2008/pdf/08-1015.pdf>

Former HUD secretary Jackson: [http://ap.google.com/article/ALeqM5h8HKnfS\\_ODyHc3it5t5eTwnSZEwD8VOKPF01](http://ap.google.com/article/ALeqM5h8HKnfS_ODyHc3it5t5eTwnSZEwD8VOKPF01)

[http://en.wikipedia.org/wiki/Alphonso\\_Jackson](http://en.wikipedia.org/wiki/Alphonso_Jackson)

**Ben Bernanke - Federal Reserve Chairman**

[http://en.wikipedia.org/wiki/Ben\\_Bernanke](http://en.wikipedia.org/wiki/Ben_Bernanke)

Those names in **RED** Below denote signatories on Cuomo Agreements

**Daniel Mudd - Fannie Mae CEO**

[http://en.wikipedia.org/wiki/Daniel\\_Mudd](http://en.wikipedia.org/wiki/Daniel_Mudd)

**Henry Paulson – Sec of the Treasury**

[http://en.wikipedia.org/wiki/Henry\\_Paulson](http://en.wikipedia.org/wiki/Henry_Paulson)

**James B Lockhart -- Dept of HUD - formerly Director Social Security**

[http://en.wikipedia.org/wiki/Office\\_of\\_Federal\\_Housing\\_Enterprise\\_Oversight](http://en.wikipedia.org/wiki/Office_of_Federal_Housing_Enterprise_Oversight)

<http://www.nytimes.com/2005/02/25/politics/25social.html>

[http://www.greenhill.com/index.php?option=com\\_peoplebook&Itemid=268&func=grShowProfile&profileid=10000184](http://www.greenhill.com/index.php?option=com_peoplebook&Itemid=268&func=grShowProfile&profileid=10000184)

**Richard F Syron - CEO of Freddie Mac – Savings and Loans**

[http://en.wikipedia.org/wiki/Richard\\_F.\\_Syron](http://en.wikipedia.org/wiki/Richard_F._Syron)

**FBI Director Robert Mueller**

[http://en.wikipedia.org/wiki/Robert\\_Mueller](http://en.wikipedia.org/wiki/Robert_Mueller)

**John G. Roberts – Supreme Court Justice**

[http://en.wikipedia.org/wiki/John\\_G.\\_Roberts](http://en.wikipedia.org/wiki/John_G._Roberts)

**James C Miller – Federal Trade Commission (Emeritus) – WAMU/E-Appraizit**

[http://en.wikipedia.org/wiki/James\\_C.\\_Miller\\_III](http://en.wikipedia.org/wiki/James_C._Miller_III)

**Deborah Platt Majoras: FTC Chairperson – present –**

<http://www.antispwarecoalition.org/events/majoras.htm>

**Tavma** – The Industry moguls who control the 3 billion dollar Appraisal/Title Industry.  
*Please note that they are intertwined with the Industry Advisory Council to the Appraisal Foundation.*

**Their Motto: Faster, Cheaper, and Better**

**...and I add, at the back-breaking expense of the slave laborers they contract the work to.**

[http://www.tavma.org/index.php?option=com\\_content&task=view&id=79&Itemid=32](http://www.tavma.org/index.php?option=com_content&task=view&id=79&Itemid=32)

**First American Real Estate Services** – They own 3 of the 5 major AMC's under one umbrella  
[http://en.wikipedia.org/wiki/First\\_American\\_Corporation](http://en.wikipedia.org/wiki/First_American_Corporation)

LSI - Lenders Services Inc – The Article on the link pasted below indicates that LSI processes more than ½ of all loans in the US – Now is that a monopolist practice at its best.

[http://www.pittsburghlive.com/x/pittsburghtrib/business/s\\_559608.html](http://www.pittsburghlive.com/x/pittsburghtrib/business/s_559608.html)

TransAmerica

[http://en.wikipedia.org/wiki/Transamerica\\_Corporation](http://en.wikipedia.org/wiki/Transamerica_Corporation)

Bank of America

[http://en.wikipedia.org/wiki/Bank\\_of\\_America](http://en.wikipedia.org/wiki/Bank_of_America)

First Interstate Bancorp

[http://en.wikipedia.org/wiki/First\\_Interstate\\_Bancorp](http://en.wikipedia.org/wiki/First_Interstate_Bancorp)

**To the media entities:**

**We are fighting for our jobs, and survival against the wealthiest of America's elite. We seek to engage your help and aid to expose this travesty in the making.**

**SEE: List of the APPRAISAL FOUNDATION INDUSTRY ADVISORY COUNCIL**

**CLICK THE LINK BELOW.**

[http://www.appraisalfoundation.org/s\\_appraisal/doc.asp?CID=62&DID=259](http://www.appraisalfoundation.org/s_appraisal/doc.asp?CID=62&DID=259)

It is the who's who of the Banks and their affiliated AMC's that want you to work for THEM, IF you work at all as a minimum wage clerk. Penny an hour form filler outers is what the super rich bank/AMC - CEO's perceive of "Joe" the appraiser. unless you are an Appraisal Institute member. Ie, The Integra Group (MAI's) and trusted advisors to the Appraisal Foundation.

**The Appraisal Foundations Board of Trustees** – Mr AMC Shawn McGowan of Valocity, formerly of e-Appraizit/WAMU - Spearheading the communization of the appraisal industry. Click the LINK Below:

[http://www.appraisalfoundation.org/s\\_appraisal/bin.asp?CID=58&DID=880&DOC=FILE.PDF](http://www.appraisalfoundation.org/s_appraisal/bin.asp?CID=58&DID=880&DOC=FILE.PDF)

**Members of THE APPRAISAL FOUNDATION ADVISORY COUNCIL**

[http://www.appraisalfoundation.org/s\\_appraisal/doc.asp?CID=61&DID=251](http://www.appraisalfoundation.org/s_appraisal/doc.asp?CID=61&DID=251)

Type Wikipedia, and learn about the rest of their team.

They do not have the jobs that, you I, or the All American worker has. Not hardly!!

One day they are the Chairman of one 5 billion dollar company, and a year later, they run another.

Stop this **NOW**, as it will adversely affect millions of jobs in the appraisal, mortgage and Title industries.

Business Editors

MEMPHIS, Tenn.--(BUSINESS WIRE)--May 27, 2004

Valocity's President and CEO, Shawn McGowan was recently elected to the Appraisal Foundation's Board of Trustees. Established in 1987, the Appraisal Foundation is a not-for-profit educational organization dedicated

to the advancement of professional valuation. Valocity, formerly Appraisal Forum, is a national valuation solutions provider that streamlines the appraisal process for lenders and appraisers.

"The landscape of the appraisal industry has experienced significant changes in the past year, and I expect this trend to continue," said McGowan. "The Appraisal Foundation is committed to constantly improving the appraisal industry. I am honored to be part of such an influential and forward-thinking group."

The Appraisal Foundation Board of Trustees is responsible for providing financial support, appointing members and overseeing all activities for the Appraisal Standards Board and the Appraiser Qualifications Board. As the parent organization to both boards, the Appraisal Foundation maintains the development and promulgation of professional appraisal standards and appraiser qualifications. The Foundation is authorized by the U.S. Congress to be the source of real estate appraisal standards and appraiser qualifications for the licensing and certification of appraisers.

"With more than 20 years of valuation experience in the fee and institutional marketplace, as well as significant appraisal management experience, McGowan's expertise will be of great value to the foundation. Shawn has demonstrated strong leadership within the Appraisal Foundation in the past," said David Bunton, executive vice president of the Appraisal Foundation. "His knowledge of the appraisal industry and the complexities associated with the industry have been, and will continue to be, an asset to the foundation. We look forward to continuing our mutually beneficial working relationship and a very productive year."

The Board of Trustees is currently composed of 27 individuals, 10 of whom are at-large members. The board holds two annual meetings, one in the spring and one in the fall, which are open to the public. The next public meeting is in New Orleans on Saturday, May 22, 2004.

#### About The Appraisal Foundation

The Appraisal Foundation, a nonprofit organization established in 1987, is dedicated to the professional advancement of the appraisal profession. The Foundation accomplishes its mission through the work of its two independent Boards, the Appraisal Standards Board, (ASB) and the Appraiser Qualifications Board (AQB). More information in the Appraisal Foundation is available on the Internet at [www.appraisalfoundation.org](http://www.appraisalfoundation.org) or by

contacting the Foundation at 1029 Vermont Avenue, NW, Suite 900, Washington, D.C. 20005, 202-347-7722.

### About Valocity

Based in Memphis, Tenn., Valocity, formerly Appraisal Forum, is a national valuation solutions provider. The company is committed to providing solutions that streamline the appraisal process from initial requests to final valuations. Founded in 1998 by Carsten and Bethany Kaaz, the company combines its comprehensive knowledge of the appraisal process with superior technology to offer its clients a truly paperless system for processing valuations.

The company's flagship product, Instant Access(R), is a Web-based appraisal and data storage system that enables clients to efficiently order, track, receive and store residential property information and valuation reports.

For additional information about Valocity, contact Shawn McGowan at 901.624.3900 or e-mail [smcgowan@valocity.com](mailto:smcgowan@valocity.com). Visit the company's Web site at [www.valocity.com](http://www.valocity.com).

# READY TO BUNDLE?

By McGowan, Shawn

Publication: [Mortgage Banking](#)

Date: [Monday, August 1 2005](#)

HEADNOTE

Consumers are mystified by the papers and fees for settlement services thrust before them at closing. An idea for offering a package of services-including title, appraisal and [credit report](#)-at one competitive price has been

gaining steam ever since it was first proposed as part of a rule-making initiative.

IN JULY, DEPARTMENT OF HOUSING AND URBAN Development (HUD) secretary Alphonso Jackson launched a series of roundtable discussions on reforms to the Real Estate Settlement Procedures Act (RESPA). Under his predecessor, HUD proposed reforms to streamline [mortgage](#) closings and simplify disclosures so consumers could better shop for settlement services. More importantly, it proposed quoting a guaranteed price to consumers at the start of the loan shopping process for the bundle of settlement services needed to close the loan.

As everyone knows, the earlier rulemaking effort met terminal opposition from lawmakers and industry groups. But now, under Secretary Jackson, a series of regional forums has been launched to revisit the topic of RESPA reform.

**To read all of this article, [sign in](#) or [sign up](#) for membership. It's quick, simple, and free.**