

02/23/2017

Re: Opposition to HB 2501  
Representative Paul Holvey  
900 Court St. NE,  
Salem H-277, Oregon 97301

Dear Representative Paul Holvey;

I am with . My company is a small business and I am a

Real Estate Appraiser Licensed in the State of Oregon. I am strongly opposed to HB 2501. Not only is it unnecessary and expensive to the state, but also would cause serious and detrimental harm to my appraisal business and appraisal businesses throughout the state. It would ultimately harm consumers by opening the door to lesser quality appraisals, opening the door to lesser qualified individuals acting as appraisers, and harm the mortgage lending industry in Oregon by increasing exposure to unacceptable and unnecessary risk due to a lesser quality appraisal product.

- This bill was crafted to address a temporary imbalance of supply and demand regarding real estate appraisals and their impact on the real estate market. It seeks to add unnecessary and expensive cumbersome price regulation to the appraisal profession as it is involved in the mortgage financing industry. These additional regulations will lead to further complication of an already heavily regulated system and severely strain the capabilities of the ACLB to administer.

Further, the market has already begun to act to correct any shortage in supply of appraisers. The number of new licensees increased in 2016, as did the number of appraiser assistants, now reaching the highest level since 2011 in both categories, as reported by the Appraiser Certification and Licensure Board. The lender related appraisal market will dramatically change to an oversupply and over competing situation among appraisers when the interest rates increase to a rate where the incentive to refinance goes away. Currently appraisers report that the refinance component of lender related appraisal business is from 50% to 60% of their appraisal business.

- Section 4 (1) of the bill creates a mechanism by which Appraisal Management Companies (the middlemen who order the appraisal for the buyer or seller) could refuse payment to individual appraisers (who actually perform the appraisal) with written notice after the appraisal report was provided. This would harm individual appraisers or appraisal companies, which are nearly exclusively small businesses and sole proprietorships. Such lawful authority to not pay a pre-agreed upon debt is incomprehensible.

- Section 6 (3)(a) includes a small change with the addition of appraisal activity prepared by “or for” a financial institution or affiliate. This small change has a dramatic impact on the Consumer Finance regulations in the state that would leave taxpayers and publicly insured institutions at undue risk.

For the good of consumers, the mortgage finance industry, and the appraisal profession, please **do not** bring HB 2501 up for consideration, and ensure that it dies in committee.

Thank you.

Sincerely,

Amy S. Miller  
ASAP Appraisals