

# Marineau and Associates

*real estate appraisers and consultants*

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Re: Strong Opposition to HB 2501

Representative Paul Holvey, Chair

Dear Chair Holvey

I am Jeffrey L. Marineau, MAI, owner of Marineau and Associates. I am a small business and sole proprietorship in Coos Bay, Oregon. Our firm was started in 1961 by my father and we employ over 5 appraisers and have 3 staff for support. After review of HB 2501, I am strongly opposed to the proposed legislation. It is unnecessary and expensive to the State of Oregon, and would ultimately harm consumers by violating the public trust and exposing appraisers and the mortgage lending industry in Oregon to unacceptable and unnecessary risk.

- 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 expensive and unnecessary regulation to the mortgage financing industry. These additional regulations will lead to further complication of an already heavily regulated system.

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.

In January of 2018, The Appraisal Foundation will draw back, appropriately so, unnecessary regulations limiting the opportunities to become a residential appraiser. I employ a woman with an Associate's Degree from an accredited college, who is now prohibited from getting a license because she does not have a 4 year degree. That regulation is totally unnecessary and limits access for new trainees to become licensed appraisers. She will move forward with her licensing in January when that law becomes effective. Many in her position will begin to become accredited when that happens, lessening the need for additional rules and regulations.

- 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 like mine.
- 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. Do we really want a bank loan officer, who stands to profit from making a loan, valuing that real estate?

That would take us back to the days when consumers hired appraisers for lending purposes, circa 1989.

- Finally, this bill puts the Appraiser Certification and Licensure Board in a position of establishing customary and reasonable fees, which would not only be illegal under the Dodd Frank Act, but would also likely trigger an anti-trust investigation. As an appraisal business in a rural community, we routinely travel close to 2 hours to appraise property and must charge extra for that extra commute time. We cannot be held to a single price point in our residential fee structure because of the highly variable work that we do in various places close and far away. The effect of this legislation will force appraisers to work close to home, and ignore the jobs that are outside the city, because of the added time and energy it takes to do this work. The eventual effect is to deprive those living in rural areas from accessing appraisers for mortgage loan transactions. No one will go out there! That will create a big problem for rural Oregon!

Thank you for your consideration in this matter.

**Please Vote NO on House Bill 2501!**

Sincerely,



Jeffrey L. Marineau, MAI

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