

02/24/2017

To: Oregon House Committee on Business and Labor

**RE: H.B. 2501**

Mr. Chair and Members of the Committee:

My name is Robert Boersma and I am a certified appraiser based in Bend and serving the Central Oregon market area of Deschutes, Jefferson, and Crook counties. I have been in the appraisal profession for 12 years and have seen many changes to the industry in that relatively short amount of time in an attempt to regulate the appraisal profession in various ways. These well intended changes such as increased educational/training requirements for appraisers entering the profession and Dodd/Frank related regulations are, ironically, the source of many of the very issues which HB2501 attempts to address.

I am strongly opposed to HB2501 as I do not believe even more regulation of the appraisal industry is a viable long term solution to current (and most likely temporary) issues that HB2501 attempts to address.

The current shortage of appraisers in some market areas is, in large part, a result of barriers to entry into the profession, primarily in the form of unnecessary educational requirements. In my opinion, the people of Oregon would be best served by legislation which would make the appraisal industry more attractive/competitive and which would make entry into the appraisal profession more easily obtainable. I realize that much of these requirements are set at the Federal level, (some of which appear likely to be enacted by The Appraisal Foundation) however the members of the Legislature could seek to initiate further conversations to help ensure these types of necessary changes occur.

Appraisal fees have increased in part due to a shorter supply of appraisers, however they have also increased due to the introduction of another "layer" in the appraisal process, the AMC. The cost of the AMC's "management" is typically passed on to the consumer in form of an increased appraisal fee, however most consumers do not realize that their appraisal fee is actually reflective of both the cost of the appraisal and the cost of the AMC's services.

The establishment of appraiser fee schedules by the ACLB is, quite frankly, one of the most foolish and misguided ideas that I have ever heard proposed and would only serve to severely damage the appraisal industry in the state of Oregon. The idea that the ACLB will somehow be able to determine a "customary and reasonable" fee for every property in the state is absurd. The variety of real property types in the state is vast and even within a relatively small market area like Central Oregon, there are incredible variances in the types of residential properties I encounter on a weekly basis. This is likely even more true for Certified General appraisers looking at various types of commercial properties. I am requested to submit bids for potential appraisal assignments on a daily basis and each property that I bid is considered individually because it is a unique property. Yes, some are very straight forward "cookie cutter" type properties, however most include varying degrees of complexity which I have to consider prior to submitting a bid. I am also aware that my bids for these assignments are competing with bids from other appraisers, so my fee and turn time must be competitive with those of other appraisers in my market area if I expect to receive the assignment. A flat fee schedule also fails to consider that some appraisers may have specialization in various types of properties which might make their services more desirable or valuable for a specific property type. Furthermore, as with any profession, some appraisers may offer superior quality of service or a superior appraisal product as compared to other appraisers in the area which some clients might pay a premium for. A flat fee schedule caters to the lowest common denominator of both appraisal quality and service which is not a desirable outcome for the consumer or the appraisal profession.

HB2501 is fraught with other regulatory problems and concerns as well, and as a whole is an ill conceived piece of legislation which will not provide a suitable solution for the current shortage of appraisers or the implied/perceived "problems" with current appraisal fees which are being voiced by a very small minority of constituents. In my opinion, the bill in its current form would cause severe damage to the appraisal industry in the state of Oregon and I urge the committee to vote NO on HB2501.

Sincerely,

Robert Boersma  
Oregon State Certified Appraiser