

02/23/2017

RE: Opposition to HB 2501
Representative Paul Holvey
900 Court St. NE
Salem H-227, Or 97301

Dear Representative Paul Holvey:

I own a small Appraisal Firm in Klamath Falls, OR. This is a very rural area. My Husband, A General Certified Appraiser, and I am a Licensed Appraiser. We have been appraising, first on our Broker's Licenses since 1977; then through the Appraisal Licensure and Certification Board since 1992. We know a bit about the problems and concerns about Appraisers, Appraisals and the Real Estate Industry.

There probably is a shortage of Appraisers, but in part this has been created by the Dodd-Frank Federal Legislation that started to Limit appraisers to Customary & Reasonable Fees. In 2000 Lenders were paying me \$500 for each FHA or Conventional Appraisal, VA also paid that amount. At that price, and in that economy, the business was viable and supported us with a modest lifestyle. With the passing of the Dodd Frank Bill the fees suddenly went to \$250-265 and many left the business because it was just not profitable. At the same time the fees went down the individual requirements for an appraisal were strengthened with some requirements so stringent that many rural areas could no longer provide the data required by the lenders. That forced a few more rural appraisers out of business. Now there is a shortage. Artificially set fees will not solve the problem, because the artificially low fees have been a part of the problem. The plain facts are that in the rural areas it is more expensive to complete an appraisal, we drive many more miles, we regularly have to go into the public records for data and the public record searches are much more time consuming than a MLS search. I sincerely doubt that any appraiser is 'gouging', but trying to make a very small business self-supporting. I do not see how anyone in the Metro areas up and down the I-5 Corridor can possibly understand or comprehend the costs from the outlying rural areas. Setting fees when there is no understanding or experience in these isolated areas is probably going to drive more appraisers out of the business because if we can't make a living, then we close the doors.

I strongly recommend that this bill and the related bills be tabled, as they are probably less of a solution than what we have now. Appraisers flocked to the business in the 1990s and early 2000s because appraisers could make a reasonable living. A College Education is not an unreasonable requirement, nor are any of the other requirements. When people can make an honest living, the Profession will grow, when the capacity to make money is limited by those who feel Appraisers are an impediment to their making a living, bankers and real estate agents (they work on commissions that are a percentage of the sale) Appraisers will continue to leave the business because it makes no economic sense to continue. We are given the task of protecting the banking system from the rampant notion that "if we can sell it for that it must be worth that" that created the last two financial downturns.

Sincerely, Charles R. Dehlinger & Barbara S, Dehlinger 3650 Hilyard Ave, Klamath Falls, OR 97603 541-884-5118