

Epic Land Solutions, Inc.

10300 SW Greenburg Road, #370
Portland, OR 97223

RE: Opposition to HB 2501

February 7, 2017

Representative Hovey:

I am writing to express my opposition to HB 2501 and to urge you to vote no. It appears that this bill was crafted to address a temporary imbalance between real estate appraisers and the demand for their services. As you know, the housing market has experienced rapid growth in the past several years and this has created strong demand for qualified and licensed appraisers. As you also know, the housing market is cyclical. Strong demand today does not guarantee strong demand tomorrow.

Passing this legislation will negatively affect the industry whether or not market conditions remain the same. It poses unnecessary regulation on an already heavily regulated industry and exposes both the borrower and lender to unnecessary risk and loss of public confidence. I am particularly concerned with these provisions:

- Section 3 (2) puts the ACLB in the position of setting fees, which prohibits appraisers from earning fees commensurate the demand for their services, stifling the free market, and being in violation of the Dodd-Frank Act.
- Section 4 (1) provides AMC's a mechanism by which they can refuse payment to the appraiser even after the agreed upon work has been completed and the appraisal report provided. What is to prevent AMC's from withholding payment for spurious reasons or using this as leverage to manipulate the appraiser? This creates a dangerous potential for abuse and erodes public confidence in the independence of appraisers.
- Section 6 (3) (a) includes a minor change that could have a severe effect on the industry and its credibility with borrowers. With the addition of appraisal activity prepared by "or for" a financial institution or affiliate, the bill effectively changes the definition of real estate appraisal to include forming an opinion of value (among other things) by individuals who are not licensed appraisers. This small change will have a dramatic effect on Consumer Finance regulations in the state and will leave taxpayers and publicly insured institutions at undue risk.

I urge you to vote no on HB 2501, which is a flawed solution to a short term problem.



James Arnett, Senior Appraiser
OR Certified General Appraiser #C000881