

February 27, 2017

House Committee on Business and Labor

**RE: Strong Objection for HB 2501**

Mr. Chair and Members of the Committee:

My name is Charles W. Rex IV, MAI from CRI Valuation, LLC in Sisters, Oregon. I strongly object to HB 2501.

Section 3 of HB 2501 states that “(1) The Appraiser Certification and Licensure Board shall adopt rules establishing the payment rates for independent contract appraisers.” I fervently object to any rate establishment by *any* governmental entity on a *private* practice.

First, I disagree that the Appraiser Certification and Licensure Board (ACLB) is capable of adequately establishing rates for *all* appraisal assignments carried out within this State. Real estate possess unique attributes and intricacies that vary for each property. These dynamics along with changes in market conditions vastly intensify the challenges that each appraiser must deal with on a case-by-case basis. The appraisal fee itself, accounts for these unique variances. Assuming that ACLB is capable of predicting *all* complexities is to assume that the same ACLB is also capable of predicting *all* changes that the economy will experience into perpetuity.

Second, any rate fixture by the ACLB will have vast repercussions on the real estate appraisal industry in the realm of innovation. Not all appraisal work products are equal. Some appraisal work products barely pass minimum standards of care and credibility while others surpass the expectations of the client by wide margins. A rate fixture will do nothing but establish *mediocrity* within the industry. Such a measure will decouple any compulsion for an independent appraiser to obtain innovative and cutting-edge education beyond mandatory continuing education units and serve as a disincentive to the establishment of advanced valuation practice due to risk-reward calculations.

Finally, any rate fixture by the ACLB will have dramatic impacts on the real estate appraisal profession regarding the availability of appraisers. As observed in recent months, appraisal turn-around times, fees and lack of appraiser availability has increased dramatically mainly due to AMCs and actions by the Oregon ACLB. While the impacts have been dramatic, they will pale in comparison to the impacts that this bill will cause. The appraisers will likely chose to perform work in alternative states that do not have such draconian *socialistic* behaviors.

Please vote no on HB 2501.

Thank you for your consideration. I'll be happy to answer any questions.

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