

To the Committee regarding HB 2501

My name is Jason McCarthy and I am an appraiser in Lane County. I am the owner of Goschie, McCarthy, and Associates and have been doing residential appraisal for over 18 years in Lane County.

I am in opposition to HB 2051 because it will end up hurting not only appraisers, but also consumers who are attempting to get a loan for mortgage purposes.

Section 3 (1) talks about having the ACLB setting prices for appraisals. Having a fixed price does not work because every appraisal is different. It would not make sense to have a fee for a property that is a standard home that is in town be the same as a home that is complex (rural, acreage, high end property, outbuildings, etc). Just as a real estate agent gets a commission based on the value of a home, the fee we use as appraisers is based on the complexity and the time that is needed to complete the assignment. Because of this, appraisers would refuse to complete work on properties that are complex because the time and effort required would not be economically feasible. This would end up hurting consumers who have rural properties, large acreage, high end homes, outbuildings, etc.

Section 4 (1) – (3) would allow for non-payment from AMC's for appraisals that were completed. The ability for an AMC to decide to not pay for work that is completed will hurt consumers. The majority of work our office does is with lenders and AMC's that we have worked with for many years. I am not concerned about getting paid from these companies as they are reputable and I also have a working relationship with them. As it stands now our office works with over 40 AMC's and I have no hesitation when it comes to taking on an order from anyone of them. Some work our company does is from random AMC's and my concern is that without an extensive working relationship these AMC's are much more likely to try and not pay for work that was completed. Because of this higher chance of not getting paid, appraisers will more than likely not want to work with these AMC's. This would cause consumers harm because it will be harder for them to find an appraiser to do the appraisal for them.

Section 6 (A) and (B) would allow appraisal work to be completed by those who are not licensed and they would not be subject to any regulation. This opens the door for realtors or others to complete opinions of value for loan originations. Appraisers are a necessity in the real estate industry because we are an independent impartial party. The risk of fraud/collusion becomes more probable if realtors or other non-appraisers are allowed to determine the value on properties. Appraisers are a needed necessity that as the unbiased bridge between realtors and lenders for real estate transactions. If there is no licensed required or regulations to follow who will be there to make sure that this fraud/collusion won't happen?

As stated above, I oppose HB 2501 because it is not only bad for appraisers, but is also bad for consumers.

Sincerely,

Jason McCarthy

Goschie, McCarthy, & Associates