

2/27/17

House Business and Labor Committee

RE: **HB 2501**

My name is Terry Bernhardt and I am an Oregon Certified Appraiser. I am opposed to HB 2501. I served eight years on the Oregon Appraiser Certification & Licensure Board (ACLB), including over 5-1/2 years as chair and vice-chair. I am a prolific instructor of appraisal courses, and volunteer regularly to speak to other professional groups and mentor young associates. I've recently completed an eight-year term on the Appraisal Institute's national board of directors, and chaired their Audit Committee for three years.

Having read the draft of HB 2501, I'm not sure what exactly it "fixes". It will greatly reduce entry requirements and credentials, flooding the market with poorly trained and inexperienced appraisers, including brokers and other collaterally-trained individuals who are not held to national appraisal ethical standards. We are still living the aftershocks of the "Great Recession" and "Mortgage Meltdown" of the 2008-2012 timeframe—it is time to proceed carefully.

I'm particularly concerned that professional appraisers seem to have had no voice in this process. An egregious example is the provision to mandate the Oregon ACLB to establish a fee schedule for work completed for AMC's. The proposal calls for an expensive study. It purports to survey "reasonable and customary" fees as a basis for applying the proposed fee structure. This is a very sore point for appraisers the past several years, whereby AMC's were directed by Dodd- Frank to pay such fees, but ended up defining exactly what "reasonable and customary" fees were—for their own benefit. Appraisers have been down that road before, and ended up losing, so we are very skeptical of another round of the same and of a government agency licensing board both regulating and mandating fees.

I would encourage you to hold off on the provisions of this bill, until a better consensus might be built with input from appraisal professionals.

Thank you for your service and leadership.

Cordially,



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