

HB 2501

House Business and Labor Committee

Feb. 27, 2017

Chairman Holvey and Members of the Business & Labor Committee:

I am Brian Glanville and I speak in opposition to HB 2501. I am a native Oregonian and have been a real estate appraiser for over 40 years. I have served as Oregon Chapter President of the Appraisal Institute and later as their National President. I also served as Chair for North & South America for the RICS, an international organization similar to the National Association of Realtors (NAR) and I hold the Counselor of Real Estate designation from NAR. I also represented the United States on the International Valuation Standards Council.

Appraisal for lending purposes is essentially an audit function to keep lenders from making bad loans that hurt the consumer. In the late 1980's, Congress allowed Savings & Loans to make commercial loans for which they did not have the experience or training, causing a major recession. Oregon was one of only two states who licensed appraisers. Congress then mandated in FIRREA that appraisers be licensed in every state. I was Chapter President and participated in writing ORS 674 in order to bring Oregon into compliance so lending would not be shut down. The lenders wanted to fast track the bill and put in many exceptions shown in HB 2015 in order to placate many stakeholders. They did not allow an exception for brokers/realtors to do appraisal work for lending. In 2006, lenders found a way around the system through mortgage backed securities and bundling of loans without appraisals, resulting in the Great Recession.

Real estate, like business has cycles and ever since 1775, we have had a real estate recession every 5 to 10 years. We are now in the eighth year of recovery and the rest of the country is already experiencing a real estate slow down. Oregon remains a "hot" market, with some areas having a shortage of appraisers, but this will not last. My partner bought a house in Portland last week and had an appraisal five days later. My daughter bought a house a few months ago and got their appraisal within 10 days.

Brokers/Realtors are trained real estate professionals, but they are not trained or have experience in estimating market value. A dentist and a heart surgeon are both medical professionals, yet I would not advocate allowing a dentist to do surgery because of a perceived shortage of surgeons. Section 6 of this bill does exactly that in real estate.

Respectfully submitted,

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