

PHIL G. BELL & ASSOCIATES
Real Estate Appraisal & Consulting Services
40520 NW Raindance Lane
Banks, OR 97106
(503) 324-5740
philgbell@frontier.com

February 27, 2017

Re: HRB2501

To whom it may concern,

This is to briefly express my concern about HRB2501 which in my brief exposure to it I believe attempts to unfairly "cap" appraiser fees.

Admittedly, the normal supply/demand relationship for appraisal services has been affected by the recent and unprecedented demand for appraisal services/appraisers and the limited number of appraisers available in this market hence the recently significantly rising appraisal fees in this market where until recently appraisers have been fighting for "reasonable and customary" fees often denied them by the industry.

Our industry is characterized by an aging workforce with significant barriers to entry for new appraisers many discouraged by the low fees in a market where fees had not increased in decades and in recent past years have been decreased often by AMC's Appraisal Management Company) that often have pressured appraisers to accept significantly reduced fees while "pocketing the difference" resulting in higher costs to buyers and borrowers.

Lower fees have resulted in veteran appraisers, often the "best and brightest", retiring or walking away from the profession or often leaving to provide quality control/reviews for AMC's resulting in even fewer appraisers. The low fees have discouraged potential appraiser candidates from pursuing appraisal careers; reasonable, not capped or egregiously high fees, may be the only solution to this industry where there has recently more demand than supply with resulting higher fees.

Continued on the next page

Continued

In the defense of myself and other appraisers out there although there have been appraisers in this market that have been charging what I, and other of my colleagues, consider to be egregiously high fees "because they can" most like myself don't. Also in our defense, most of the very high fees have been offered by AMC's trying to ensure their work gets done and I am assuming are not solicited by appraiser who are not the enemy and should not be the "scapegoat"; it is human nature for some to take the egregious fees offered others of us appreciate the rising fees, as a rising tide floats all boats, but do not take "crazy high" fees which only hurt the consumer and give appraisers a bad name.

This market has significantly slowed with fewer "re-fi's" and market forces will address higher fees which will come down as will the time needed to complete appraisal assignments. If fees rise, or drift down, to appropriate levels as appraisers who may be encouraged to enter the field come on line veteran appraisers can retire and equilibrium will return to this market where fees have increased as there has been more demand for appraisal services than the dwindling workforce has been able to supply with resulting high fees and longer timeframes to complete appraisal assignments.

In short, market forces will eventually create supply and demand equilibrium but only with adequate appraiser fees to bring in new appraisers to the industry.

To cap fees feels like restraint of trade; if our fees are capped so should others in the industry that charge far more than appraisers.

It will only be fair to the consumer when the settlement statement fully discloses the "AMC"'s take which is unfairly included in the "appraisal fee" which is highly misleading. Have ran out of time but hope this sheds light on an unfair bill to unfairly "cap" appraiser fees.

Best regards,

A handwritten signature in blue ink that reads "Phil G. Bell". The signature is written in a cursive, flowing style.

Phil G. Bell, SRA
Oregon CR00022