

February 28, 2017

RE: House Bill 2501

Chair Holvey and Members of the House Committee On Business and Labor:

My name is Bryan Merideth. I am an Oregon State Certified Residential appraiser and Oregon taxpayer.

I am strongly opposed to HB 2501

As proposed, this bill will have serious unintended consequences to Oregon home owners/home buyers, Realtors, mortgage lenders, appraisal management companies (AMCs), the Oregon Appraiser Certification and Licensure Board (ACLB), as well as appraisers themselves. This bill is in my opinion a knee jerk reaction to market forces at work. I believe that HB 2501 will create more harm and unintended consequences to the citizens of Oregon than good.

- Section 1 is unnecessary.

- o the 30-day payment requirement created unintended consequences to consumers, Realtors, mortgage lenders, regulatory agencies, appraisers and AMCs.

- o the 30-day payment issue was addressed with HB 2061 in the 2013 legislative session and all stakeholder groups agreed to a 45-day compromise.

- o there is no reason this topic should be revisited.

- Section 3 is laden with unintended consequences.

- o While the intent of the bill may have been to provide state-level relief to homebuyers with regard to high appraisal fees and long “turn-times” for completion of appraisals; the language in Section 3 on page 1, line 29 does not solve the problem and, in fact, exacerbates it:

- **“The board shall establish the payment rates...”**

- o appraiser fees and turn times are in short, the economic principle of supply and demand at work; there is a high demand for appraisal services at this time.

- This is a temporary problem that will normalize when the market does – and is doing.

- o the language above in **bold italics** effectively sets not only a minimum but a *maximum* “rate” that an AMC could pay to an appraiser.

- There is no law that can *force* an independent appraiser to accept an assignment at any specified fee.
 - If the “rate” set by the ACLB is not commensurate an appraiser’s independent judgment of his/her work-effort based on complexity, location, time frame, etc., he/she will simply decline the assignment altogether.
 - This would make it difficult/impossible to have appraisals completed at all – particularly in underserved/rural markets and would have a chilling impact on consumers either purchasing or refinancing Oregon homes as well as Realtors, mortgage lenders, etc.

- Section 6 (3)(a) includes a small change with the addition of appraisal activity prepared by “or for” a financial institution or affiliate. This small change has a dramatic impact on the Consumer Finance regulations in the state that would leave taxpayers and publicly insured institutions at undue risk by exposing consumers and financial institutions to appraisals being produced by unlicensed, unaccountable persons.

Please vote no on HB 2501.