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#CR00259

Certified Residential Appraiser * FHA Approved * Certified Green Appraiser

Testimony in favor of HB 2061 – February 11, 2013

Diane Forsberg, CRGA, MAA
State Certified Residential Appraiser

Board member of Portland/Rose City Chapter of the National Association of Real Estate Appraisers

Past President of the Oregon Appraisers' Coalition

Oregon Small Business owner for the past 14 years.

Good Morning and thank you for this opportunity to tell you why I am in favor of HB 2061.

I am here today as a representative of my chapter, and as an Oregon small business owner and independent appraiser. What we are here to do today is to change ORS 674.225. It currently dictates that an Appraisal Management Company, or AMC, has up to 60 days to pay an appraiser for a completed appraisal assignment. We want to change it to 30 days. Why? Because it is fair, customary and reasonable.

Now, why is it 60 days? Because it was negotiated into the original bill that regulated AMC's in the state of Oregon. Now there are good and responsible AMC's out there who pay their appraisers in a timely manner. Our local Oregon AMC's are among them. But here's what appears to be happening. Some lenders are using this allowed 60 days as leverage for consumer marketing. You have seen the ads. Refinance your Home With No Appraisal Fee. Get A Loan From Us With No Up Front Appraisal Fee. The consumer doesn't get off that easy. The fee will be paid but at a later date. So what appears to be happening is that lender will negotiate to pay the AMC when they collect the appraisal fee pushing the AMC to absorb the initial costs and the AMC pushes that on down the line to the appraiser because this law gives the card blanch to do so.

Appraiser's want to be paid within 30 days because it is fair, customary and reasonable. For the appraiser these fees are our paycheck. Think of it this way, what is today? February 11th your payday. You get a memo that said you will be getting your paycheck March 11th and then every 2 months thereafter..... Would that be fair or reasonable? So on one hand this law give the lender latitude to promote their product, and there is absolutely

nothing wrong with that, but not on the backs of the AMCs and especially not on the backs of the appraisers.

So in conclusion we are asking that this 60 day limit be changed to a reasonable and fair 30 days and not the current 60 days.

Thank you for your time.

Diane Forsberg, CRGA, MAA