



March 28, 2013

RE: Senate Bill 617

Chair Beyer and Members of the Senate Committee on Business and Transportation,

My name is Laurie Egan, I live in Clackamas County and have been an appraiser in the Portland Metro area for 25 years. During that time I have owned an appraisal firm and an appraisal management company as the provider of appraisal services. I currently work in the collateral risk division of a regional bank as the user of appraisal services. I write today not only from my own perspective, but as the Vice President of the National Association of Appraisers and we urge you not to move SB 617 out of this committee.

We believe adding an additional layer of bureaucracy by creating a panel to determine if an objective basis exists to believe that an alleged violation has occurred is completely unnecessary and problematic for a number of reasons.

- Unnecessary:
 - The Appraiser Certification and Licensure Board (ACLB) has already created a 3-member Enforcement and Oversight Committee consisting of three (3) Governor-appointed Board members to review enforcement cases to determine if there is a reasonable basis to believe a violation has occurred.
 - The ACLB is subject to mandatory Federal oversight and is already audited bi-annually by the Appraisal Subcommittee (ASC) which is the federal agency charged by Congress with oversight of all state appraiser boards to ensure compliance with federal law.
 - For the past 12 years the ASC's on-site audit findings indicate the Board's compliance with federal law including effective and efficient processing of complaints and enforcement activities. In fact, Oregon is recognized nationally as a model program and the ASC has referred many other state appraiser regulatory agencies to Oregon, particularly in the area of complaint investigation and enforcement.
- Appraiser panel:
 - SB 617 calls for the panel to consist of State Licensed Appraisers. This is the lowest credential level issued by the Board. Essentially, this means a house appraiser could sit in judgment of a Certified General Appraiser who appraised a hotel or office building.
 - The Uniform Standards of Professional Appraisal Practice (USPAP) is a complex document requiring extensive training to interpret and enforce; qualifications that the typical appraiser does not possess.
 - Less than 1/2 of 1% of the 85,000 appraisers in the country are Nationally Certified USPAP instructors, a certification which is required in order to teach this federally mandated course to appraisers. Nearly half of all the nationally certified USPAP instructors who reside in Oregon are already either Board members volunteering their time or Board staff.
 - Based on (low) fees the Board has historically paid to contract reviewers, the enormous amount of time which would be required of these panelists and their potential exposure to civil suits, the

Board would have a difficult time finding appraisers willing to accept appointments as members of the appraisal panel.

- Less qualified individuals may (and often do) mistake lack of conformity with their lender-client guidelines as USPAP violations. This could, and likely would, result in more allegations being pursued, not fewer. Additionally, less qualified individuals may not recognize USPAP violations which *should* be pursued.

- Costs

- The ACLB is funded exclusively by fees collected from licensees. The costs of this unnecessary panel would therefore be passed on to appraisers in the form of increased licensure fees. Based on the agency's fiscal impact statement, this would result in a fee increase of nearly 20% thereby placing an unfair burden on Oregon appraisers at a time when they can least afford it.

In public testimony from recent legislative sessions I have heard it suggested that the Board and/or Board staff have acted inappropriately and that additional oversight is necessary. This is simply not the case. The measure of the Board's performance cannot (or should not) be gauged based on the opinions of a few appraisers who have been sanctioned by, or are currently under investigation by the Board. A more credible and objective source of the Board's performance in its enforcement activities is the Appraisal Subcommittee which can be reached at www.asc.gov.

The ACLB is charged with public protection. As the user of appraisal services, I and others like me depend on ethical appraisers and credible appraisals to make important financial decisions and we appreciate the Board's fair and effective enforcement of the Uniform Standards of Professional Appraisal Practice. The National Association of Appraisers is an association of professional appraisers dedicated to the goals of elevating the appraisal profession and increasing the public trust in both the appraisal process and professional appraisers. We oppose SB 617 and strongly urge you to not allow this bill to progress any further.

Thank you for your consideration.

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