



March 28, 2013

RE: Senate Bill 618

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

My name is Laurie Egan. I reside in Oregon City and am an Oregon State Certified Residential appraiser. During my 25+ year career 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 Pacific Northwest-based bank as the user of appraisal services.

I presently serve as the Vice President of the National Association of Appraisers and we urge you oppose Senate Bill 618. We believe this bill is unfair to Oregon appraisers and the unintended consequences would harm Oregon residents and lenders for the following reasons:

- Unprecedented and unfair costs to Oregon appraisers
  - The Appraiser Certification and Licensure Board (Board) is a semi-independent agency funded exclusively by license fees collected from licensees, as are the professionals regulated by the seven other Oregon semi-independent licensing agencies including architects, geologists, optometrists, engineers and others.
    - None of these other professionals are subject to potentially devastating fee increases in the event their regulatory bodies lost a contested case.
- Disincentive for the Board to perform its federally mandated function to protect the public
  - The Financial Institutions Reform, Recovery and Enforcement Act of 1989 was enacted by Congress to address the problem of unregulated persons performing incompetent and/or fraudulent appraisals for federally regulated financial institutions. Title XI's purpose is to "provide that Federal financial and public policy interests in real estate transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision."
  - A recent survey by the Board was conducted of 42 appraiser regulatory agencies across the country. Of the 42, 17 responded. Of the 17 only 2 States responded that under rare circumstances, their Boards could be sued for reimbursement of costs incurred by licensees.
    - Some comments from the survey:
      - *...Board could not absorb unanticipated expenses such as this – it would have a chilling effect on the Board's decision to pursue enforcement matters. ...The concept of requiring the Board to reimburse a licensee puts the entire "public protection" purpose of a regulatory body on its head. -Maine*

- *...More significantly, if that rule applied to all state licensing boards, it would put a damper on efforts to protect the public. -Arkansas*
- *Our agency has never had such a provision for any of our 64 professions. The premise raises serious questions. “Prevails” – suggests troubling scenarios. If there are five counts against the Respondent but only four are proven; has the Respondent prevailed? ...The impact here would be confusion if not disastrous.-Illinois*
- *I can't even fathom what our legal and program expenditures would be. -Colorado*
- *...even one hearing could put our Bureau's budget into a tailspin. -Iowa*
- *If this ever became a law in Kentucky, it would essentially cripple our program to the point of being insolvent...*
- *First I could see it ...pressuring the Board to basically cater to the appraiser in disciplinary matters...just a couple of hearings a year... could wipe out our approved appropriations. -Kansas*

The National Association of Appraisers (NAA) 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. NAA opposes SB 618 and we strongly urge you to not allow a bill which could harm the public, the small businesses of Oregon appraisers and larger regional/national companies to progress any further.

Thank you for your consideration of our comments.

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