



May 3, 2013

RE: House Bill 2801-6

Chair Dingfelder and Members of the Senate Committee On Environment and Natural Resources,

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 risk and regulatory oversight 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 would like to express our concern about sections 13 and 14 of House Bill 2801. We see what HB 2801 accomplishes as an excellent means of providing appraisers with an objective, quantifiable unit of comparison by which they can measure market reactions to differing energy scores; a dataset which, to date, has been unavailable to professional appraisers.

However, we strongly urge you remove Sections 13 and 14 regarding Real Estate Appraisal Activity. Requiring an additional certification above an appraiser's state-issued credential is unnecessary, impractical and has unintended consequences which obviously have not been considered, particularly as it relates to Oregonians seeking residential mortgage financing.

- Unnecessary
 - The federally mandated Uniform Standards of Professional Appraisal Practice already has a provision requiring appraisers to be competent when performing appraisals.
 - There are already numerous, highly qualified organizations who provide appraiser education, professional development programs and certifications in energy efficiency.
- Impractical/Unintended Consequences
 - Lenders and appraisal management companies place appraisal requests with appraisers but rarely have any specific property information at the time the request is placed.
 - The existence of energy efficient items would not be discovered until the appraiser performs a property inspection.
 - If the appraiser does not hold the additional certification, he/she would have to withdraw from the assignment, adding unnecessary expense and delays to the mortgage lending process.
 - No threshold has been specified with regard to what constitutes an energy efficient item or who would be required to hold this certification. As an example, would an appraiser be required to hold the

certification in order to appraise an older home retrofit with new double-paned windows or a high-efficiency furnace?

- The Appraiser Certification and Licensure Board doesn't have the expertise to establish an energy efficiency certification program and would either have to go to enormous expense to develop the program or contract with an existing entity which already issues certifications.

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. HB 2801 gives appraisers the data they need to more accurately estimate market reactions to energy efficient components of real estate. We are happy to be of assistance with a solution but encourage you to not require a state-issued certification in energy efficiency for the reasons stated above.

Thank you for your consideration of our comments.

Laurie E. Egan, MAA, RAA

VP, National Association of Appraisers

egan@teamappraisals.com

(503) 781-4857

