



May 15, 2013

RE: Senate Bill 617

Chair Holvey and Members of the House Committee On Consumer Protection and Government Efficiency,

My name is Laurie Egan and I've 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 oppose Senate Bill 617.

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 unnecessary and problematic for a number of reasons.

- Unnecessary:
 - The Appraiser Certification and Licensure Board (ACLB) has already established an Enforcement and Oversight Committee to provide enforcement and compliance oversight to the Board staff. This committee reviews staff investigative reports and makes recommendations to the full Board that in turn makes the final decisions about what constitutes a violation of USPAP.
 - 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, consistent and equitable processing of complaints and enforcement activities in a well-documented manner. 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 required by SB 617:
 - 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 staff or Board members volunteering their time.
 - Less qualified individuals may (and often do) mistake lack of conformity with their lender-client guidelines (i.e. Fannie Mae appraisal 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.
- Costly
 - 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 a fiscal impact analysis by the Legislative Fiscal Office, SB 617 would result in a license 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. Based on the results of mandatory federal audits 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 outspoken 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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