

REVENUE: No revenue impact  
FISCAL: Fiscal statement issued

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Action: Do Pass  
Vote: 4 - 0 - 1  
Yeas: Baertschiger, Monnes Anderson, Prozanski, Shields  
Nays: 0  
Exc.: George  
Prepared By: Channa Newell, Administrator  
Meeting Dates: 4/24, 5/17

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**WHAT THE MEASURE DOES:** Expands definition of “appraisal management company” to include companies ordering appraisals not related to mortgage transactions.

**ISSUES DISCUSSED:**

- Compliance with national standards
- Instances of non-mortgage related appraisals
- Hesitation in creating barriers to entry into profession
- Closing loophole in licensing and oversight

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** In Oregon, persons engaging in real estate appraisal activity must be certified, licensed, or registered, as appropriate to the activity. The current definition of an appraisal management company (AMC) is a company that oversees a panel of appraisers and coordinates the process and administrative duties of appraisals, in connection with properties collateralizing mortgage loans or mortgages incorporated in a securitization. The clients of an AMC are defined, in part, as creditors of consumer credit transactions secured by the consumers’ real estate. AMCs are required to register with the Appraisers Certification and Licensure Board (Board) or be a subsidiary owned and controlled by a federal financial institution regulatory agency, for example, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, or the National Credit Union Administration, among others. The current definition of AMC may create a regulatory loophole in that a company can engage in appraisals unrelated to collateralizing mortgage loans or securitizations without registering with the Board.

House Bill 2531 closes the loophole by removing limiting language from the definition of “appraisal management company” and “client.”