Strong Opposition to HB 2501

HB 2501 is unnecessary and expensive to the state, and would ultimately harm consumers by violating the public trust and exposing appraisers and the mortgage lending industry in Oregon to unacceptable and unnecessary risk.

- This bill was crafted to address a temporary imbalance of supply and demand regarding real estate appraisals and their impact on the real estate market. It seeks to add expensive and unnecessary regulation to the mortgage financing industry. These additional regulations will lead to further complication of an already heavily regulated system.

  Further, the market has already begun to act to correct any shortage in supply of appraisers. The number of new licensees increased in 2016, as did the number of appraiser assistants, now reaching the highest level since 2011 in both categories, as reported by the Appraiser Certification and Licensure Board.

ACTIVE	2011	2012	2013	2014	2015	2016
Certified General	534	548	550	546	553	623
Certified Residential	674	663	644	651	655	703
Licensed	289	234	205	192	176	184
TOTAL	**1497**	**1445**	**1399**	**1389**	**1384**	**1510**
APPRAISER ASSISTANTS	**73**	**64**	**80**	**72**	**93**	**110**

- Section 4 (1) of the bill creates a mechanism by which Appraisal Management Companies (the middlemen who orders the appraisal for the buyer or seller) could refuse payment to individual appraisers (who actually perform the appraisal) with written notice after the appraisal report was provided. This would harm individual appraisers or appraisal companies, which are nearly exclusively small businesses and sole proprietorships.

- Section 6 (3)(a) includes a small change with the addition of appraisal activity prepared by "or for" a financial institution or affiliate. This small change has a dramatic impact on the Consumer Finance regulations in the state that would leave taxpayers and publicly insured institutions at undue risk.

Please <u>vote no</u> on HB 2501.

Greater Oregon Chapter of the Appraisal Institute

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