

HJM 3 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Prepared By: Jan Nordlund, LPRO Analyst

Meeting Dates: 2/27

WHAT THE MEASURE DOES:

Urges Congress to instruct Appraiser Qualifications Board to revise requirements for real estate appraisers.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council was created in 1989, pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (referred to as Title XI of FIRREA). The ASC oversees the real estate appraisal regulatory framework in each state as it relates to federally related real estate transactions. State programs that do not comply with the requirements of Title XI of FIRREA may be prohibited from performing property appraisals that involve federally related transactions.

Under current Oregon law, a person must be registered, certified or licensed by the Oregon Appraisal Certification and Licensure Board in order to perform real estate appraisal activity; the statutes include a lengthy list of exceptions. A State Licensed Appraiser is authorized to appraise non-complex, one-to-four family residential properties valued under \$1 million and complex one-to-four family residential properties under \$250,000. A State Certified Residential Appraiser can appraise one-to-four family residential properties regardless of complexity or value as well as other types of real property valued under \$250,000. A State Certified General Appraiser can appraise all types of real property. The education and experience requirements increase at each level. A Registered Appraiser Assistant works under the direct supervision of select licensees. Prior to registering, an appraiser assistant must meet education and examination requirements.

A high volume of real estate activity has resulted in frustration by some who say the length of time to receive an appraisal is too long and the cost is too high. There are currently 1,520 licensed and certified appraisers in Oregon, a ten percent increase over two years. In addition, there are 111 appraiser assistants, a 54 percent increase over three years. The number of appraisers who have inactivated their license or certification stands at 91; inactive appraisers must meet the continuing education requirements while inactive. If they let their status lapse, when they wish to hold a license or certification again they will have to meet the newest education requirement and experience requirements. As of 2015, those seeking to be a certified general appraiser or certified residential appraiser must hold a bachelor's degree.