



Greater Oregon
Chapter



OREGON
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From the desk of:

Julie Gend

Support for HB 2189-A

Senate Floor Paper

The Greater Oregon Chapter of the Appraisal Institute (GOCAI) and the Oregon Association of REALTORS® are pleased to jointly support HB 2189-A.

There have been problems relating to a demand for real estate appraisals in the current hot market, with not enough appraisers right now to fill the need. Appraisers' education and licensure laws are set at the national level, and are rigorous. After the "bust" times not too long ago, many appraisers left the field because there wasn't enough work, but it is difficult to return because of federal requirements. The situation currently is getting better.

An informal membership survey by GOCAI asked what might help retain appraisers in Oregon, and this bill is the result. Exposure to liability for an unlimited duration leads to increased costs for appraisers, especially residential appraisers, and constitutes a barrier to the field.

Real estate appraisers are subject to a recordkeeping rule through our federal regulatory document, the Uniform Standards of Professional Appraisal Practice. By that rule appraisers must retain work files for five years after the completion of an appraisal project in most circumstances. HB 2189-A would affect a common-sense solution in marrying liability on that activity to the federal Record Keeping Rule. The bill was changed in the Senate by a friendly amendment to match real estate agents' limit of liability at six years so the limit is seamless for the public.

The limitation in liability for appraisers would not apply to cases of fraud and misrepresentation, for which the 2-year discovery rule in ORS 12.110 would continue to apply. Most appraisers are small businesses and a lawsuit, or the threat of a lawsuit, can be devastating. We believe that the provisions of HB 2189-A will bring certainty to appraisers regarding how long after performing an appraisal they may be sued, and will allow appraisers to adequately manage the risks associated with providing those services.

The amended bill passed unanimously out of Senate Business and Labor Committee. We encourage your YES vote. Thank you for your consideration!

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