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In Opposition to
LD 2062: An Act to Amend the Laws Governing Real Estate Appraisers and Appraisal Management Committees

Committee on Innovation, Development, Economic Advancement and Business
January 23, 2024, 1pm, Cross 206

Good afternoon Senator Curry, Representative Roberts, and Honorable Members of the Committee on Innovation, Development, Economic Advancement and Business,

My name is Bob Strong, I live and work in Freeport, and I'm the founder of Property Valuation Services, a Maine-based Appraisal Management Company. I am also a Maine Certified Appraiser. Thank you for the opportunity to testify before you today.

I am testifying in opposition to Section 1 of the bill, which would exempt the Board of Real Estate Appraisers from all of the Uniform Standards of Professional Appraisal Practice (USPAP).

As the founder of an Appraisal Management Company, we provide appraisal work for two-thirds of the appraisal workforce here in Maine. I work directly with young appraisers, who often speak of their challenges with the Board and their policies.

USPAP is a living document that establishes the rules and standards that all appraisers must follow. It's typically updated every two years, and federal policy from the Appraisal Subcommittee (ASC) recommends that state laws referencing USPAP should be updated in a timely fashion to reflect the current version of USPAP. All appraisers are required to follow USPAP, which comprises ten standards and five rules, including the Ethics Rule and Competency Rule.

Federal policy requires that anyone analyzing work product for USPAP Compliance must be knowledgeable about appraisal practice and USPAP and states must be able to document their qualifications. This requirement is in support of the Competency Rule in USPAP, so the federal policy requirements are in direct support of the provisions of USPAP the Board is currently seeking to be exempted from with this proposed legislation.

If the five appraisers on the Maine State Appraisal Board aren't held to the same competency and ethical standards as the rest of the licensees across the country, it threatens the integrity of the Board and their body of work. Currently, the Board asserts that it is exempt from USPAP in its entirety. LD 2062 is an attempt to codify this practice into law.

There are deep problems with the Board of Real Estate Appraisers that are affecting our ability to provide quality, timely, and affordable appraisals for the people of Maine. Maine has one of the highest disciplinary rates in the country for appraisers in the past

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ten years. Appraisers frequently report facing violations and extended hearings (beyond the 90 days required by federal law) when trying to apply for higher licensure levels. The board has been negligent and punitive in the review of appraisals and requests for certification. Exempting them from all of USPAP would codify in State statute an acceptance and endorsement of these processes and further condemn the people of Maine to an inadequate level of appraisers for market needs.

Under no circumstances should a Maine Appraiser working as an agent of the Maine Appraisal Board be relieved of following the Competency Rule, Ethics Rule, or Scope of Work Rule. Embracing their role in protecting the public interest should start by abiding by the rules for which they are in place to enforce. We have an appraiser problem in the State of Maine, and it starts with the Board of Real Estate Appraisers.

I urge you not to accept striking Standard 3 from Section 1 of the statute and instead amend the bill to read "Standard 3 & 4 in the current version of USPAP."

I also cordially request that the committee consider initiating a review of this Board with the Office of Program Evaluation and Government Accountability.

Thank you for the opportunity to testify, and I urge the committee to vote against the bill in its current form.