



Maine Credit Union League

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In Support of
LD 1514: An Act to Change the Laws Regarding Real Estate Appraisers
Committee on Labor
April 22, 2025

Good Afternoon, Senator Tipping, Representative Roeder, and distinguished members of the Committee on Labor,

My name is Krista Simonis and I am the Director of Governmental Affairs at the Maine Credit Union League. The Maine Credit Union League is the trade association for Maine's 48 credit unions and over 750,000 members statewide. We respectfully submit the following testimony **in support of LD 1514.**

In 2019 our credit unions first raised the appraisal shortage crisis to our attention. I have been working on this issue since 2023. In June of 2023 we joined the Maine Bankers Association, Maine Association of Mortgage Professionals, and CUSO Home Lending to submit a letter to the Board of Real Estate Appraisers regarding our concerns with the licensing process.

At that time, we were concerned that the proportion of appraisers holding a low-level license was unusually high. Only 60% of Maine's appraisers are certified, meaning they can appraise complex properties over \$250,000. For comparison, the national average is 88%. The response from the Board was to modify its approach to reviews and reiterate that the appraisal shortage was not limited to Maine. Looking at data now, while 73% of licensees in Maine are certified, of those with a Maine address, only 57% are. While the shortage is not unique to Maine, this gap between those who want to move up in license level and those who are able to, is unique.

LD 1514 is a first step to addressing the appraisal shortage. It follows models from Vermont and Massachusetts and adds board seats for members of the homebuying industry. After suggesting potential public board members to Governor Mills' staff, we were reminded that public board members by definition cannot have a financial stake in the industry. Not only does this exclude those who are most familiar with how this shortage is impacting consumers, it also excludes all credit union members and volunteers.

The Board has not had a new public member nominated in twenty years. This insular perspective makes it too easy to be protective of the industry rather than the people of Maine.

Due to the high cost and lack of availability of appraisals, many financial institutions have turned to other products. Community banks and credit unions are using a combination of Automated Valuation Models (AVMs), drive-by appraisals, broker's opinions, commercial evaluations, or even appraisal waivers. However, this lack of reliable data has changed the level of risk involved with making these loans, as the loan-to-value amount has become

uncertain. The appraisal crisis is worst in our most rural counties, where AVMs are the least reliable. Depending on the loan, a lack of an appraisal may mean a loan cannot be made.

87% of home sales in Maine in 2024 were in counties with a median home price greater than \$250,000. That means that 57% of appraisers must do 87% of appraisals. Only Aroostook, Piscataquis, Somerset, and Washington counties have median home value less than that, yet this is still the limit for licensed appraisers under state law. LD 1514 raises that cap to \$400,000 to match the maximum allowed under federal guidelines.

We need to take action on the appraisal crisis now. More than 70% of appraisers are over the age of 50, with more than 20% over the age of 65. It will take time to train new appraisers, and we must work together to innovate and implement solutions. We are grateful to Commissioner Cohen and her team for being willing to meet with us on this issue and discussing the challenges. We hope that through cooperation and having a seat on the Board we will be able to solve this crisis and help Maine's homebuyers. Thank you for hearing our testimony, we urge the committee to vote Ought to Pass on LD 1514.

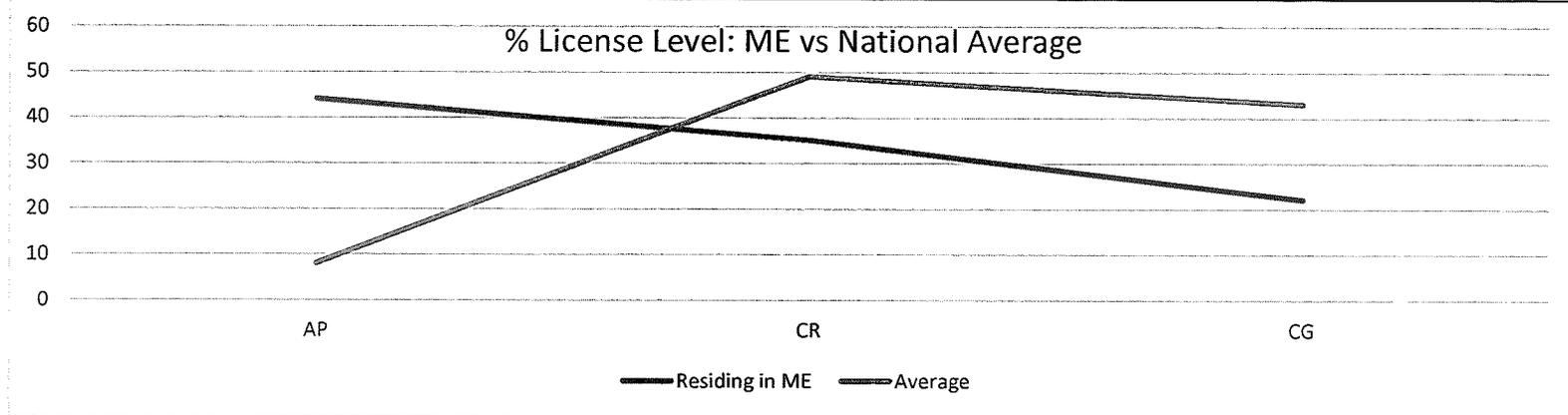


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LICENSE LEVELS MAINE VS. NATIONWIDE 2022 & 2023

License Level	2022			2023						
	2022 Maine	% total ME	2022 Nationwide	2022 Nationwide %	Current Licenses in ME	% of total in ME	Residing in ME	% residing in ME	2023 Nationwide	% of total Nationwide 2023
Certified General (CG)	248	37%	39,730	42%	247	43%	74	22%	40,649	43%
Certified Residential (CR)	176	26%	47,131	50%	170	30%	120	35%	46,834	49%
Licensed (AP)	243	36%	7,438	8%	156	27%	150	44%	7,339	8%
Total	667		94,299		573		344		94,822	



2024 REALTORS REPORT VS. # APPRAISERS

County	# units sold				# Appraisers w/addresses in ME			
	2023 # Units	2024 # Units	% Change Units	CG	CR	AP	Sales:Certified	
Androscoggin	904	1005	11.17%		3	8	11	91
Aroostook	672	647	-3.72%		1	3	3	162
Cumberland	2746	2918	6.26%		35	46	39	36
Franklin	360	402	11.67%		1	4		80
Hancock	612	701	14.54%		4	3	5	100
Kennebec	1282	1267	-1.17%		4	4	18	158
Knox	472	505	6.99%		3	5	5	63
Lincoln	403	407	0.99%			1	3	407
Oxford	705	688	-2.41%		1	5	2	115
Penobscot	1412	1505	6.59%		10	11	33	72
Piscataquis	323	281	-13.00%		1	3	3	70
Sagadahoc	365	353	-3.29%		2	4		59
Somerset	521	520	-0.19%		2	1	5	173
Waldo	396	407	2.78%		2	3	3	81
Washington	375	351	-6.40%				2	0
York	2073	2330	12.40%		5	19	18	97
Statewide	13,621	14,287	4.89%		74	120	150	74
Nationwide	4,090,000	4,060,000	-0.73%		44,461	6,499	91,458	80

1

¹ [Median Sales Price of Houses Sold for the United States \(MSPUS\) | FRED | St. Louis Fed](#)

[MaineHousingReport-CalendarYear2024.pdf](#)

[Active Appraisers Credentials by State | ASC.gov](#)

June 5, 2023

Maine Board of Real Estate Appraisers

35 State House Station
Augusta, ME 04333-0035

Dear Members of the Maine Board of Real Estate Appraisers,

The appraiser shortage is a national problem. Since the rise in homebuying during the historically low interest rates of the pandemic, appraisers nationwide have been on the decline and are likely to decline further. More than 70% of appraisers are over the age of 50, with more than 20% over the age of 65¹. Most financial institutions have only one or two appraisers available, and should those individuals retire, the financial institutions would need to find other options, most of which are inferior or don't exist. Already because of this crisis, more financial institutions have turned to Automated Valuation Models (AVM), or remote appraisals. However, AVMs are not permitted for all types of transactions, and are typically less accurate in rural areas, which is especially problematic for Maine². We desperately need appraisers and are unable to find enough.

This reality is represented in statistics and stories. Maine has nearly half as many appraisers per active listing as the national average. This shortage has driven up the cost of appraisals as well as the length of time they take. Maine's problem is especially acute with regard to the number of certified appraisers available for complex or FHA appraisals. Fewer than 60% of Maine's appraisers have this certification level, a full 18% points lower than the next worst state, Oklahoma³. **The ratio of certified appraisers in Maine to active listings per year is 1:19, compared to a national average of 1:6.** This discrepancy is a direct representation of the challenges of gaining certification in Maine, the requirements of which are set by this Board.

Financial institutions in Maine report appraisals for FHA loans costing just shy of \$900 (before travel fees are added). The VA maximum cap allows single family appraisals in Aroostook County to cost up to \$1,000. This is compared to \$800 in the other counties in Maine and just \$600 to \$625 in other New England states such as Connecticut and Massachusetts⁴. Some financial institutions have turned to Appraisal Management Companies (AMCs) which provide the benefit of not needing in house management but come at an additional cost to the consumer. Even a basic drive-by appraisal can cost \$800-\$900 and take 5 weeks in some counties.

¹ [file.aspx \(appraisalinstitute.org\)](#)

² [About Automated Valuation Models \(corelogic.com\)](#)

³ https://www.asc.gov/?state=me&state_id=38

⁴ [VA Appraisal Fee Schedules and Timeliness Requirements - VA Home Loans](#)



Maine Credit Union League

MAINE
BANKERS
Association



Maine
Association
of Mortgage
Professionals



Maine is one of the states with the highest turnaround timeframe (along with Vermont and North Dakota), with 15 business days being the minimum, compared to a national average hovering around 7 business days⁵. Financial institutions in urban counties like Cumberland and York expect appraisals to take 3 weeks, while those in more northern counties report seeing wait times of 3-4 weeks in the winter and **2 months in the summer**. For homeowners who need an equity line of credit within a certain timeframe, small financial institutions that require an appraisal often lose business to larger institutions that are more insulated from risk and less dependent on appraisals.

It is our understanding that the role of the Maine Board of Real Estate Appraisers is to protect the public, but these wait times and high costs are hurting Maine consumers, especially first-time home buyers. First time homebuyers often rely on FHA and USDA loans, and the lack of certified appraisers available means those appraisals are more expensive. FHA and USDA loans allow for lower credit scores and minimal down payments, meaning the price of these high-cost appraisals is borne by those who can least afford it. Additionally, consumers who need less complex appraisals are often forced to pay for "more appraisal than they need," as the shortage has meant that appraisers can decide not to do lower-level appraisals, which would be cheaper for prospective homebuyers. or equity loan consumers

Furthermore, the delay in appraisals may mean that loans cannot be processed in a timely manner, making it more difficult for a first-time homebuyer to find a seller to accept their offer. Thus this population is being disenfranchised from homeownership; creating a situation that is exacerbating income inequality and stymying the building of wealth and financial resiliency. Smaller financial institutions, which are often most responsive to consumers and the primary source of financing for small businesses, are often shut out of providing loans because of this crisis.

Due to the high cost and lack of availability, many financial institutions have turned to other products. Community banks and credit unions are using a combination of AVMs, drive-by appraisals, broker's opinions, commercial evaluations, or even appraisal waivers. However, this lack of reliable data has changed the level of risk involved with making these loans, as the loan-to-value amount has become uncertain. Depending on the loan, a lack of an appraisal may mean a loan cannot be made. This harms the ability of credit unions and banks to invest in the local economy and spur economic growth.

Providing commercial loans is even more of a challenge. Those institutions who are lucky enough to find an appraiser willing to do a commercial loan face a **minimum turnaround time of 100 days, and costs ranging from \$2,500 to \$10,000**. In Aroostook County, there is only one individual available to do agricultural loans, but all his work is done with the Farm Services Administration, so small financial institutions serving our most rural parts of the state are not able to provide agricultural loans.

Appraisers need independence and to be a trusted partner in the homebuying process. Overvaluation of homes in 2007-2008 contributed to the housing crisis⁶. However, the lack of appraisers in the current market may have a similar effect, as lending institutions cannot

⁵ [Appraisal Performance Index: 2022 Insights \(reggora.com\)](https://www.reggora.com/blog/appraisal-performance-index-2022-insights)

⁶ [Home appraisals are increasingly done remotely rather than in person : NPR](#)

accurately guarantee the value of loans when they are relying on substandard products like AVMs.

There is a housing crisis in Maine. Lengthening the time it takes to get people into homes for the sake of opaque credentialing requirements that are not listed in Maine statute or adopted rules only hurts Maine people. Inventory availability continues to be a challenge, and housing prices may continue to go up. As that happens, the need for certified appraisers qualified to appraise properties over \$1 million will rise. Should inventory increase, interest rates decline, and the refinance market rebound, Maine's financial institutions and appraisal market would be unable to cope with the demand. The Board needs to develop additional opportunities and pathways to certification now.

Based on Maine's outlier status in terms of the proportion of certified appraisers, it is our belief that the requirements above what the federal Appraisal Qualifications Board (AQB) suggests are hurting Maine's consumers and exacerbating gatekeeping within the industry, worsening our already acute appraisal shortage. Blocking the licensing of certified appraisers means fewer appraisers are qualified to train new appraisers and Maine's appraiser shortage will continue to grow.

We encourage the Board to align licensing requirements to federal minimums as set by the AQB. The requirements for certification, especially complexity and number of assignments, should be made transparent and equitable so prospective appraisers can gain certification within the timeframe set by the Board. We know this will only be a start, and that long-term solutions like developing the PAREA program will be needed in the future. Without additional pathways to certification, this crisis will only continue to worsen, impacting Maine's consumers, financial institutions, and economy. It is incumbent upon the Board to act now to solve these problems.

Sincerely,

Maine Credit Union League

Maine Bankers Association

Maine Association of Mortgage Professionals

CUSO Home Lending

cc:

Commissioner Anne Head,

Honorable Troy Jackson, Senate President

Honorable Harold Stewart III, Senate Minority Leader

Honorable Rachel Talbot Ross, Speaker of the House

Honorable Billy Bob Faulkingham, House Minority Leader



STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
OFFICE OF PROFESSIONAL AND OCCUPATIONAL REGULATION
BOARD OF REAL ESTATE APPRAISERS
35 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0035

Janet T. Mills
Governor

Anne L. Head
Commissioner

August 9, 2023

Via E-Mail Only: ksimonis@mainecul.org; jsteirman@mainebankers.com;
lmichaud@cusohl.com; rcaverly@mainecul.org; eparent@mainecul.org;
pineaupolicy@gmail.com; charles.soltan@soltanbass.com

Dear Maine Credit Union League, Maine Bankers Association, Maine Association of Mortgage Professionals and CUSO Home Lending:

Thank you for your letter dated June 5, 2023 in which you raised concerns about the number of certified real property appraisers licensed in Maine and the licensing process. As you know, the Board reviewed your letter and authorized this response at its meeting on August 1, 2023. The Board thanks you for your input. While some items are out of Board control, they are worth discussing and the Board encourages the public to bring topics for discussion.

The sole statutory purpose of an occupational and professional regulatory board is to protect the public health and welfare, as per 10 M.R.S. § 8008. Licensing boards carry out this purpose by ensuring that the public is served by competent and honest practitioners and by establishing minimum standards of proficiency in the regulated profession by testing, licensing, regulating and disciplining practitioners of those regulated professions.

Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 as amended ("Title XI") established the Appraisal Subcommittee of the Federal Financial Institutions Examination Council ("ASC"). As set forth in Title XI, one of the ASC's core functions is to monitor the requirements established by states for certification and licensing of appraisals so they may perform appraisals for federally related transactions. ASC Policy Statement 4 sets forth requirements for the application process. The Board process is reviewed bi-annually by the ASC for compliance with Policy Statement 4 and all other Policy Statements.

For an initial or upgrade certified residential real property appraiser license, the Board requires the applicant to meet the education and experience requirements set forth in The Real Property Appraiser Qualifications Criteria (Criteria). Historically, Board staff has requested each applicant to provide a list of complex appraisals from which it randomly chooses 4 appraisals to review for



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USPAP compliance. Requiring complex appraisals for review is intended to ensure the applicant possesses the skills necessary to operate at the certified level, consistent with the Board's statutory purpose under 10 M.R.S. § 8008. Neither the Criteria nor ASC Policy Statements require the Board to complete a USPAP compliant appraisal review of the selected appraisals. Pursuant to 32 M.R.S. § 14011(7) reviewers of these selected appraisals are explicitly exempt from the requirements of USPAP.

Going forward, the Board plans to modify its approach; it will be reviewing 2 complex and 2 non-complex appraisals of each applicant. The Board will continue its practice of not requiring experience review for applicants who are applying for a reciprocal license based on an active license in another state.

The shortage of appraisers is an industry issue not limited to Maine. The AQB adopted the Practical Applications of Real Estate Appraisal (PAREA) in 2020 as an alternative model for gaining appraisal experience in response to appraisal trainees' difficulty finding supervisory appraisers. PAREA programs are just now becoming available. The Appraisal Institute recently launched a PAREA program and McKissock is expected to offer a program in 2024. The Maine Board is prepared to accept applications from PAREA applicants who complete such programs.

Again, the Board thanks you for your input and hopes you find this letter responsive to your letter.

Sincerely,

Catherine E. Pendergast

Catherine E. Pendergast

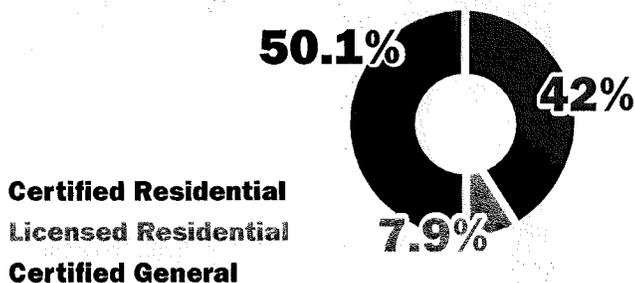
Administrator

U.S. appraiser population statistics were derived from the Appraisal Subcommittee (ASC) National Registry data from December 2019 to December 2022. Additional demographic statistics were derived from an Appraisal Institute survey conducted in 2022 that contacted 26,446 randomly selected real estate valuation professionals and resulted in 2,631 total survey responses. The survey's margin of error is about 1.88% at a 95% confidence interval.

The Appraisal Institute is a global professional association of real estate appraisers, with over 16,000 professionals in almost 50 countries throughout the world. Our mission is to empower valuation professionals through community, credentialing, education, body of knowledge and ethical standards.

1 TOTAL U.S. APPRAISERS AND NUMBERS OF LICENSES/CERTIFICATIONS

As of December 2022 there were 93,665 active licenses held by an estimated 70,000 licensed or certified real estate appraisers in the U.S. The composition of active licenses were:



HISTORIC VALUES 2019 - 2021

Year as of December

Year	Certified Residential	Licensed Residential	Certified General
2021	50.3%	7.7%	42%
2020	50.6%	7.5%	41.9%
2019	50.4%	7.7%	41.9%

2 NUMBER OF ACTIVE LICENSES AND NUMBER OF INDIVIDUAL LICENSED AND CERTIFIED APPRAISERS



93,665
Active Licences



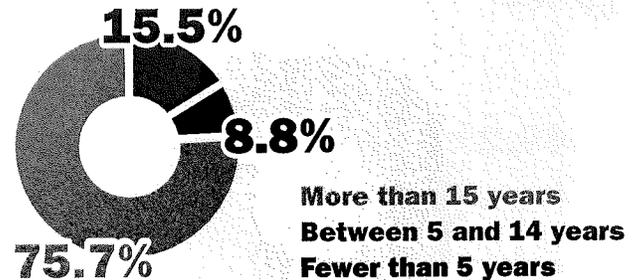
70,000
Estimated Number of Appraisers



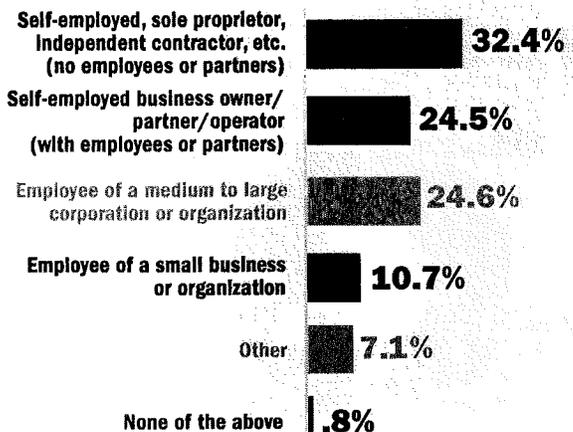
12,000
Estimated Number of Appraisers
Licensed in More Than One U.S. State

The number of estimated unique appraisers is approximately 8,000 lower than the previous version of this fact sheet as the ASC database does not provide a unique identifier to each appraiser. The current estimate represents a refined process in enhancing the accuracy of reported data.

3 TIME IN VALUATION PROFESSION

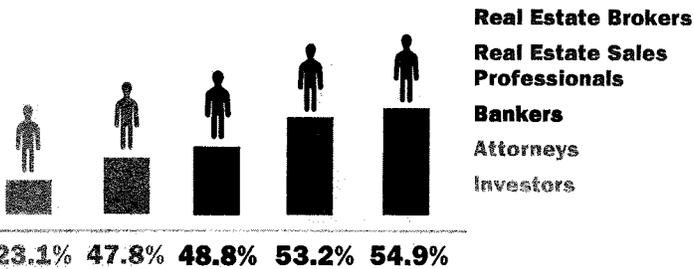


4 EMPLOYMENT TYPE

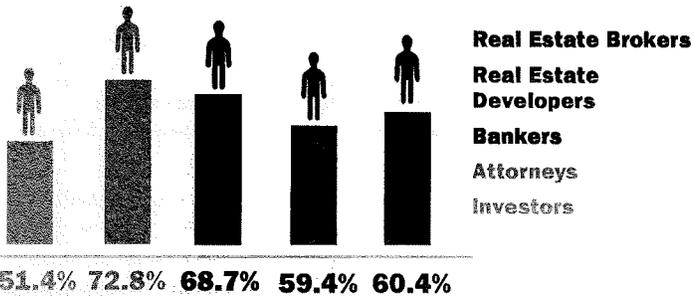


5

CUSTOMER OR CLIENT BASE

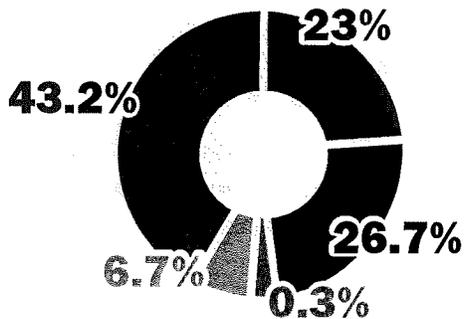


Residential Real Estate Valuation Professionals



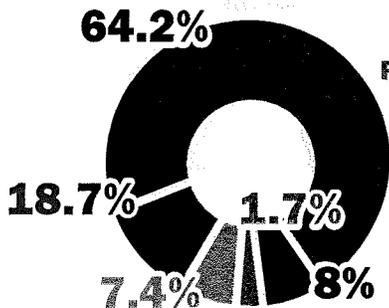
Commercial Real Estate Valuation Professionals

6 AGE



Over 65
50 - 65
35 - 49
25 - 34
Under 25

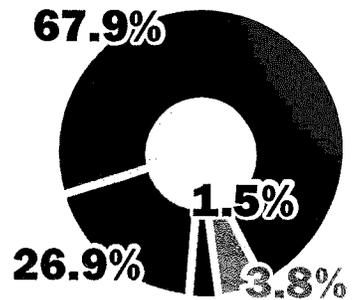
7 EDUCATION



Bachelor's degree
Master's degree
Associate's degree
High School / GED
Ph.D. or Doctorate degree

8

GENDER



Men

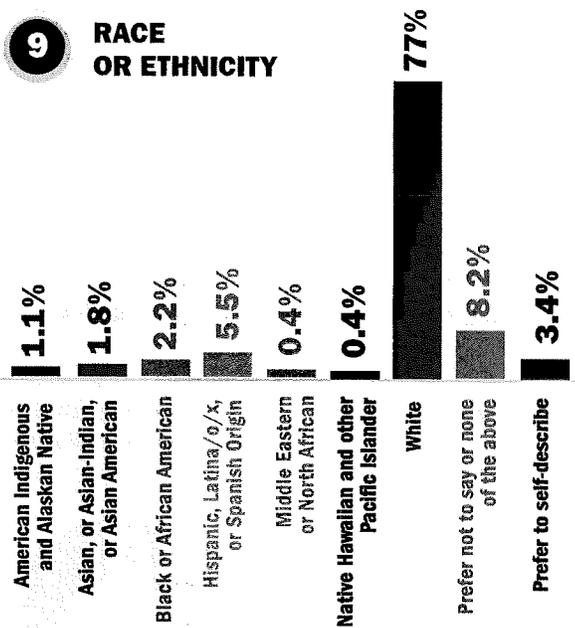
Women

Non-binary/ third gender/transgender/ prefer to self-describe

Prefer not to answer

9

RACE OR ETHNICITY



10

ANNUAL TOTAL PERSONAL INCOME

