



Columbia Society of Real Estate Appraisers, Inc.

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July 7, 2015

To California Legislators:

We are writing you in regard to Assembly Bill No. 624 amending Sections 11302 and 11319 of the Business and Professions Code, relating to real estate appraisers.

The Columbia Society of Real Estate Appraisers is one of America's oldest appraisal organizations, having been founded in 1945 on the campus of Columbia University in New York. We are one of the eleven Appraisal Sponsors of The Appraisal Foundation.

We are opposed to the bill and strongly feel that the interests of consumers, lenders, regulators and appraisers are best served by having one consistent standard of valuation practice, that currently being the Uniform Standards of Professional Appraisal Practice (USPAP), which has continually been updated over the years for the real estate appraisal profession. This is consistent with other professional groups such as accountants, lawyers, and doctors. We believe that having various standards would be counter-productive and could easily lend itself to foment the same financial practices environment which led to the last financial crisis...and those that preceded it.

Having multiple standards, which would require oversight and updating, would be a step backward, and doing so would be detrimental to the interests of all involved in the lending and valuation processes, most especially consumers and tax payers, who were by far the biggest victims of the last financial crisis. Although there were many contributing factors to that crisis, having only one standard of valuation practice for the appraisal profession in effect at the time was not one of them.

When the next financial crisis occurs, and there are already signs that lenders are becoming more lax in their lending practices, especially as regards sub-prime mortgages, will one of the contributing factors be cited as the existence of multiple standards and accompanying ethical loopholes related thereto? And another consideration: who exactly is going to police all the different standards and subjective interpretations of their content? How much more will that process cost?

We believe that the regulatory process is better served if all interested parties work together, unselfishly, to support one standard that applies to all. And if there are any aspects of the present standard that some feel should be improved upon, then we within the profession should be working together to achieve that...which has been the case for over 25 years now with USPAP.

We hope that you will reconsider your bill in light of the above comments. We would certainly be agreeable to assist you in any way we can.

Most respectfully yours,

COLUMBIA SOCIETY OF REAL ESTATE APPRAISERS INC.

William G. Smolen, President

William H. Green III, National President

WGS/ljf