



NATIONAL ASSOCIATION OF APPRAISERS

The Association for All Professional Appraisers

March 12, 2013

Mr. David Bobzien, Chairman
Assembly Committee of Commerce and Labor
401 South Carson Street
Carson City, NV 89701-4747

RE: Opposition to AB204

Dear Chairman Bobzien and members of the committee:

The National Association of Appraisers (NAA) is an association of professional appraisers dedicated to the goals of elevating the appraisal profession and increasing the public trust in both the appraisal process and professional appraisers. The NAA advocates for state and federal policies that best accomplish the realization of these goals. On behalf of our members, I am writing in **opposition** of AB 204 and the proposed amendments to NRS 645C.

Section 1 proposes to preclude a professional appraiser from utilizing foreclosure sales or short-sales as comparables in an appraisal. AB204 states:

Except as otherwise required by federal law or regulation, an appraiser shall not include as a comparable sale in an appraisal:

- 1. A sale of property which was the subject of a foreclosure sale, as defined in subsection 4 of NRS 40.462; or*
- 2. A sale in lieu of a foreclosure sale, as defined in NRS 40.4634,*
-unless no relevant sale other than those described in subsections 1 and 2 is available to be included as a comparable sale in the appraisal.

We are strongly opposed to this proposal because, despite the attempted recognition of federal law, it violates existing state and federal laws by precluding the use of certain sales unless no other sale is available.

The Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation, are the recognized measure of professional due diligence for all licensed or certified appraisers. Due to the specific requirement for adherence to the USPAP in Section 1101, Title XI, of the Financial Institutions Reform Recovery and Enforcement Act of 1989 (FIRREA) [12 U.S.C. 3331-3351], these standards are the federal law for all appraisal assignments completed for a Federally Related Transaction (FRT). Due to the reference in NRS 645C.210(d)(2) and adoption in NAC 645C.400(1), these standards are state law for all appraisal assignments completed by Nevada licensed or certified appraisers.

If the proposed law is enacted, Nevada would force professional appraisers to be in violation of the USPAP. The results would be disastrous for your state's economy as Fannie Mae, Freddie Mac and FHA (all of which require USPAP compliance) would cease to accept appraisals completed under this law and residential mortgage lending in Nevada would grind to an immediate halt. It is also highly likely that the Appraisal Subcommittee, the federal agency granted oversight of state licensing and certification programs by FIRREA, would decertify all Nevada appraisers leading to the cessation of commercial lending.

Section 2 proposes to require appraisers that have their principal office outside of Nevada to have an additional office in Nevada. This is simply an unnecessary requirement. There are many appraisers that specialize in certain types of real estate that reside outside of Nevada but are licensed in Nevada or that obtain a temporary practice permit when performing their assignments. We are opposed to this proposal because having a physical office within Nevada does nothing to protect the Nevada public or to enhance the quality of appraisals.

Therefore, we once again voice our opposition to this bill and respectfully request that you vote against its passage.

Sincerely,



Michael L. Brunson, MAA

President, National Association of Appraisers

cc: Assemblywoman Marilyn Kirkpatrick; Assemblywoman Irene Bustamante Adams; Assemblywoman Maggie Carlton; Assemblyman Skip Daly; Assemblywoman Olivia Diaz; Assemblyman Jason Frierson; Assemblyman James Healey; Assemblyman William C. Horne; Assemblyman James Ohrenschall; Assemblyman John Ellison; Assemblyman Tom Grady; Assemblywoman Ira Hansen; Assemblyman Crescent Hardy; Assemblyman Peter Livermore