

Chairman Dever, Ranking Member Smith and members of the Committee,

Thank you for the opportunity to make a brief statement regarding House Bill 213.

The Ohio Mortgage Bankers Association represents 120 banks, credit unions, independent mortgage bankers and other industry partners. The association fully supports this legislation.

A provision in Dodd-Frank Legislation requires states to regulate Appraisal Management Companies by August 10, 2018. Appraisal Management Companies will not be permitted to be used by lenders in federally related transactions in states that fail to enact the necessary legislation to meet the regulatory requirement. To date, 42 states have passed legislation.

Appraisal management companies play an important role in the mortgage lending process. Dodd-Frank Appraisal Independence Rules require lenders to maintain real estate appraisal programs that independently engage appraisers. Appraisal Management Companies provide that firewall. AMCs also provide appraisal review and quality control functions. They ensure that the appraisal meets applicable federal, state and agency guidelines. They ensure that the appraisal is conducted in a timely manner. They also conduct appraiser background checks.

Smaller lenders, such as those that engage only in the loan production function, rely on AMCs because they normally do not have the staff to provide an appraiser selection process that is independent of the production area; nor do they employ quality control personnel.

Failure to enact legislation will be disruptive to the market. HB 213 is a well thought-out, comprehensive piece of legislation. We ask for your support in passage of the bill.

Thank you.