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Testimony of Sally Carothers to the Civil Justice Committee in Support of H 213

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Chair Butler and members of the committee:

My name is Sally Carothers and I am here today on behalf Nations Valuation Services – an Appraisal Management Company (AMC) based in Columbus that would become an Ohio licensee under H 213. I'm also here on behalf of REVA (Real Estate Valuation Advocacy Association), our national AMC trade association.

Thank you for the opportunity to share our strong support for H 213.

AMCs are third-party service providers to lenders and other financial institutions that facilitate residential appraisal transactions – here in Ohio and across the nation. In the appraisal transaction, AMCs are responsible for working with appraisers and lenders to serve consumers, including...

- Ensuring appraiser independence by safeguarding against fraud and undue influence.
- Ensuring lender compliance with federal and 50 state banking and appraisal regulations.
- Providing appraisal review for quality assurance to ensure appraisal credibility.

We are in the odd position of seeking regulation of our own businesses, but it is unavoidable due to a provision in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and subsequent regulations, that established state regulation of AMCs and a 36-month timeline to comply (by August 2018).

If a state chooses not regulate AMCs, lenders will not be able to use AMCs to facilitate Federally Related Transactions (FRT). This will cause preventable disruption to Ohio mortgage lending and increased costs for Ohio consumers.

Currently, 42 states regulate AMCs. Ohio is one of the final eight states to consider AMC legislation ahead of the 2018 deadline.

We are proud of the fact that H 213 was created by consensus by Ohio appraisal industry stakeholders:

- Ohio Department of Commerce, Division of Real Estate & Professional Licensing
- Real Estate Valuation Advocacy Association (REVA) – a trade group for AMCs
- Ohio Mortgage Bankers Association
- Ohio Bankers League
- Ohio Coalition of Appraisal Professionals
- Ohio Association of Realtors

Thank you for the opportunity to address the committee. REVA supports minimal AMC regulation and believes H 213 is fair and balanced.

I am happy to answer any questions.