



Richard E. Livingston, Chair
Kansas Real Estate Appraisal Board
Jayhawk Tower
700 SW Jackson, Suite 804
Topeka, KS 66603

January 22, 2018

Re: Kansas House Bill No. 2414

Chairman Livingston:

The undersigned professional appraisal organizations are writing to express their opposition to House Bill 2414, which would allow for the adoption of alternative valuation standards for use when performing a wide range of appraisal services for Kansans. We believe this bill not only fails to provide any benefits to the people of Kansas, but in fact stands to sew confusion, cause irreparable harm, and undermine public trust in the appraisal profession.

Our organizations, as sponsors of the Appraisal Foundation (the Congressionally-authorized source for appraisal standards and appraiser qualifications) support a single set of standards – the Uniform Standards of Professional Appraisal Practice, or USPAP. USPAP has been developed over a quarter century through a transparent, open, and public process that considers the views and input of all stakeholders in the appraisal profession, and is subject to regular review for further improvement – all in the name of upholding the public trust. USPAP is known and understood by appraisers and users of appraisal services alike, and adherence to USPAP not only provide assurance that the process followed to reach an opinion of value is robust, but provides an effective deterrence and enforcement tool where individuals would seek to abuse public trust through their work as an appraiser.

Other alternative standards contemplated by HB 2414 reflect the views and interests of a small slice of the appraisal profession, and permit activities that actively undermine public trust in professional appraisers, such as allowing for the acceptance of contingent fees based on the outcome of an assignment. This arrangement gives appraisers a direct interest in achieving a specific outcome, and removes any appearance of objectivity or neutrality in reaching an opinion of value – core tenets essential to credible appraisal practice. There is no established enforcement history under the proposed alternatives, and it is unclear whether certain activities prohibited under USPAP may in fact be permitted under other alternatives, thereby weakening protections afforded to users of appraisal services.

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This may explain why **no other jurisdiction has adopted an alternative standard to USPAP**. Since the Congressional action in 1989 to require adherence to USPAP, the profession has worked to gain and maintain public trust through a single set of professional standards. To now pivot toward an environment where individual appraisers could elect to use standards that allow them to reach a specific outcome would undo that hard won public trust, and throw the appraisal profession back to a time before USPAP. Such a move would only harm those Kansans who rely on appraisal services, and place the state of Kansas out of step with the 54 other jurisdictions who recognize the many benefits of adherence to a single set of appraisal standards in USPAP.

For these reasons, we oppose House Bill 2414 and urge the committee to vote unfavorably should it come up for a hearing. If you have any questions or wish to discuss our views further, please contact John D. Russell, JD, Senior Director of Government Relations and Chief Lobbyist for the American Society of Appraisers at jrussell@appraisers.org, or by phone at 703-733-2103.

Sincerely,
American Society of Appraisers
National Association of Independent Fee Appraisers
American Society of Farm Managers and Rural Appraisers

CC: Scott A. Brown, Member
Michelle Fales, Member
Bill Lansdowne, Member
Fred L. Samuelson, Member
James Stallbaumer, Member
Sally Pritchett, Director