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MICHIGAN HOUSE OF REPRESENTATIVES

**DAVID NATHAN**  
STATE REPRESENTATIVE

March 12, 2009

Representative Andy Coulouris  
Chairman, Banking & Finance Committee  
Michigan House of Representatives  
P.O. Box 30014  
Lansing, Michigan 48909

Dear Chairman Coulouris & Members,

Thank you Mr. Chairman & Members of the Committee for the opportunity to speak with you today about my bill, HB 4234, a bill that will repeal a section in state law so that we become compliant with federal standards that pertain to licensure of real estate appraisers.

Title XI of the Federal Financial Institutions Reform and Recovery Act specifically designates the AQB (Appraiser Qualifications Board) of the Appraiser Foundation as the authority for developing national appraiser qualifications requirements.

The ASC (Appraiser Subcommittee) is charged with the overseeing of the state licensing programs, and for ensuring that the programs are at least as stringent as the federal AQB standards.

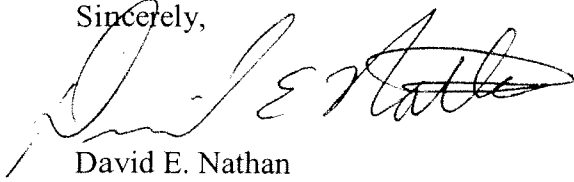
If a state refuses to comply with the requirements established by the AQB, the only penalty that the ASC can impose is the de-certification of the entire program, which could affect not only Michigan appraisers, but the entire mortgage system in Michigan. The majority of appraisals in the state are done for "federally related financial transactions" which are mortgages backed by Fannie Mae, Freddie Mac, HUD, etc.

This particular section currently conflicts with the provisions of another section in the license law, Section 339.2605, which adopts the federal AQB requirements by reference, including provisions for renewal and relicensure of appraiser's licenses. By repealing the section in this bill, we no longer have a conflict within the article.

Mr. Chairman & Members, I want to thank you again for giving me the opportunity to testify for my bill and I welcome your full support and vote in favor of HB 4234. We must take

action on this now and not delay or we risk the de-certification of appraisers in Michigan who appraise federally backed mortgages and that accounts for approximately 80 percent of our appraisers in the state.

Sincerely,

A handwritten signature in black ink, appearing to read "David E. Nathan". The signature is fluid and cursive, with a large initial "D" and "N".

David E. Nathan  
State Representative  
11th District