

February 14, 2013

FTR

Insurance and Real Estate Committee

Public Hearing Testimony on

House Bill 5638, "AN ACT DECREASING THE TIME FRAME FOR PAYMENT BY AN APPRAISAL MANAGEMENT COMPANY TO AN APPRAISER."

My name is Brian Lawrynowicz owner of Brian's Appraisal Service. I have my certified residential real estate license in Ct. I have been in the appraisal business since 1997, a year or so after getting out of the United States Marine Corps. I got into the business working for my ex-father in-law at Leighton Appraisal Service from 1997-2005 and now I have my own business since 2005.

Thank you for submitting proposed House Bill No. 5638 – An act decreasing the time frame for payment by an appraisal management company (AMC) to an appraiser for an appraisal or valuation assignment from sixty days to thirty days. I was notified today (Tuesday, February 12, 2013) about the Joint Committee on Insurance and Real Estate public hearing to discuss this house bill on Thursday, February 14, 2013 at 1:00 PM. Unfortunately, I'm unable to attend the public hearing. I ask that you submit the following written testimony to the Committee in my absence.

Without your notification to me about this public hearing, I would not have known that it was happening. With that said, I did try to get the word out about the proposed house bill 5638 & the other related house bill 5637 (an act requiring AMC to post a bond not less than one million dollars to reimburse appraisers for services rendered if not paid). I contacted the Appraisal Institute's Connecticut chapter and the Eastern Connecticut Association of Realtors (ECAR) to request an email be sent to their members and affiliates about the two proposed bills. I was unsuccessful in that they both said that it would need to go through their Government Relations Committee or Associations Legislative Committee respectively. Then I contacted the Connecticut Department of Consumer Protection (DCP) for an email list of all the active appraisers with a state license. I did get a list, but I have not had time to do anything with it yet.

Since the DCP maintains the email lists of those in the state who hold various licenses, it would be very helpful in the future for them to send out email notifications to specific groups to disclose any proposed changes or approved changes affecting those groups. I am sure that if this was done in regard to these two proposed bills, there would be quite a bit of feedback and stories about the hassles related to getting paid by some AMC's. As technology and means of communication have improved so much over the years, it seems appropriate that this type of notification would not only help to educate a wider audience about change affecting them but would also help to solicit feedback about more efficient ways to operate. Such a small step forward could really help small businesses, like mine, thrive in this State.

In 2010, when the AMC law was passed, I was not contacted for input about how this change would affect my business. It is not apparent to me that anyone in this field was asked for their opinion. The Connecticut Appraisal Institute along with the Connecticut Association of Realtors does not have my businesses or anyone else's best interest in mind. These associations should not have any say about how or when an AMC should be allowed to pay me for my services as an appraiser. I would offer that it is not every AMC that takes or uses the allowed, per law, time frame to pay.

Even though this proposed house bill would decrease the time frame from 60 days to 30 days for payment, I think payment should be weekly or bi-weekly. The AMC's collect the fees upfront

from the homeowner. They should not have the time frame of 60 days to pay for services rendered. If I waited 60 days to pay my credit card bill, they would hit me with a late charge, report it on my credit rating and increase my percentage rate. Not one time, but two times in a 60-day period. If I purchase such things as gas, food or clothes, I have to pay for it when I receive it. When I hire a plumber, painter or electrician, I have to pay when the service is completed. Most other employees get paid weekly or bi-weekly for their services. We, as appraisers, should be getting paid weekly or bi-weekly, not 60 days after the services are rendered, but the 30 days is better than the 60 days.

There have also been many AMC's who have shut their doors and not paid appraisers for services rendered. Just to name a few: In-house, E.S. Appraisal, Appraiser Loft, JVI and Express Financial Services. This is also why I support proposed house bill 5637 which would require AMC's to post a bond payable to the DCP of not less than one million dollars.

There are quite a few other things that should be fixed with the Connecticut AMC Laws:

- State email about any issues or laws related to specifically licensed groups
- Mandatory invoices on all appraisals
- Mandatory full disclosure of fees – specifically the breakdown between the appraiser's fee and the AMC fee
- The issue of Staff appraisers working for AMC's

We cannot kick the can down the road for another year. Please help Connecticut's small businesses. Appraisers need your help to fix the laws in Connecticut. The time to act is now. Please pass house bill 5638 - an act decreasing the time frame for payment by an AMC to an appraiser from 60 days to 30 days and house bill 5637 - an act requiring AMC's to post a bond not less than one million dollars to reimburse appraisers for services rendered and not paid.

Thank you for your time,

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