



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

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PLANNING AND DEVELOPMENT COMMITTEE
PUBLIC HEALTH COMMITTEE

Insurance and Real Estate Committee
Public Testimony
Thursday, February 14th, 2013

TESTIMONY IN SUPPORT OF HOUSE BILL 5638, AN ACT DECREASING THE TIME FRAME FOR PAYMENT BY AN APPRAISAL MANAGEMENT COMPANY TO AN APPRAISER

Dear Senator Joseph Crisco, Representative Robert Megna, Senator Joan Hartley, Representative Christopher Wright, Senator Kevin Kelly, Representative Robert Sampson and members of the Insurance and Real Estate Committee,

I submit this testimony in support of House Bill 5638, AN ACT DECREASING THE TIME FRAME FOR PAYMENT BY AN APPRAISAL MANAGEMENT COMPANY TO AN APPRAISER.

This bill was proposed when the issues surrounding payment from appraisal management companies to appraisers was brought to my attention by constituents who work with these companies. This bill would give these independent appraisers the money they earned from doing an appraisal much sooner by reducing the time appraisal management companies have to pay them from sixty to thirty days.

As the committee likely remembers, appraisal management companies have been around for a number of years, however, following the adoption of the federal Home Valuation Code of Conduct, nearly all appraisal requests have been funneled through these entities. The appraisal management company often times collects the money upfront from the consumer or lending institution, but fails to pay their assigned appraiser within a timely manner. By reducing the time period in which the appraisal management company must pay their appraisers to thirty days, Connecticut will be falling in line with other states such as Illinois, North Carolina, and South Carolina, among others.

Appraisers are often times residents and taxpayers of this state and constituents of all of us. By withholding their payments for extended periods of time, appraisal management companies are withholding these funds from reentering Connecticut's economy and are potentially delaying tax revenue for the state.

I urge the committee's favorable consideration of House Bill 5638.