



Testimony of the

Connecticut Chapter of the Appraisal Institute

Before the Insurance and Real Estate Committee

On

**Raised Bill No. 5501 – An Act Authorizing a Limited Scope
Real Estate Estimated Valuation**

Presented by

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Senator Joseph Crisco
Representative Robert Megna
Insurance and Real Estate Committee
Room 2D: Legislative Office Building
Hartford, Connecticut

Good Afternoon Chairman Crisco, Chairman Megna and members of the Insurance and Real Estate Committee. My name is Ralph Biondi and I am a certified general appraiser with the firm of Biondi & Rosengrant L.L.C. in Waterbury, Connecticut. I am here today as the Chairman of the Legislative Affairs Committee of the Connecticut Chapter of the Appraisal Institute.

The Appraisal Institute is a global membership association of professional real estate appraisers with nearly 25,000 members throughout the world, including 400 here in Connecticut. The Appraisal Institute was organized in 1932 with a mission to support and advance its members as the choice for real estate valuation solutions and uphold professional credentials, standards of professional practice and ethics consistent with the public good. The Appraisal Institute is recognized nationally, and within the state of Connecticut, as the leading advocate for the real estate appraisal profession. As members of the committee know, real estate appraisers provide very specialized services within the larger real estate economy and are unique in the process as our regulation is by virtue of a federal mandate but is administered by the state.

I appear before the committee today in order to offer testimony in relation to Raised Bill No. 5501-An Act Authorizing a Limited Scope Real Estate Estimated Valuation. This proposed bill will amend Section 20-504 of the General Statutes as they govern the conduct of real estate appraisers in Connecticut. Essentially, this proposed language would allow appraisers to perform limited scope real estate valuations in relation to transactions that are not federally related as defined in Title XI of FIRREA.

The Officers, Directors and Membership of the Connecticut Chapter of the Appraisal Institute are generally supportive of the language found in the Raised Bill. We are encouraged that the committee recognizes the need to assure that the valuation of real estate continues to be performed by property educated and certified real estate appraisal professionals in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).



The language in Raised Bill No. 5501 requires the Commissioner of Consumer Protection, with advice and assistance from the Real Estate Appraisal Commission, to adopt necessary regulations to define the form, scope and standards for this valuation product. The real estate appraisal profession in Connecticut is the major stakeholder in this undertaking. I, and other members of the Connecticut Chapter of the Appraisal Institute, stand ready to provide input during the drafting of the proposed regulations. It is clear that the Committee recognizes the need to maintain the highest standards of professional integrity and practices to protect the interests of the consumers of real estate appraisal services.

However, we would respectfully ask that the Committee consider removing the language that requires the Commissioner and the Commission to establish fees that may be charged. We would suggest letting the marketplace establish a reasonable compensation level in light of the economic diversity of our "small" state.

The Connecticut Chapter of the Appraisal Institute would like to encourage the members of the Insurance and Real Estate Committee to adopt Raised Bill No. 5501 with our suggested changes.

Thank you for allowing me to present this testimony and I would be happy to answer any questions from the committee.