

Legislature, LB 203 is an attempt this year to rewrite a bill that we passed last year and the reason that we are facing this issue is because of primarily the federal S&L bailout. One of the things that federal regulators discovered as they sifted through the rubble of the bailout issue was that property, particularly real property, which was on the books of S&Ls justifying their capital structure was misappraised, badly appraised. And they found that in some cases they weren't appraised at all. So one of the effects of the cataclysm of a bailout was to reexamine the level of expertise and standards for appraisers that were used by commercial and financial institutions in valuing their property on the theory that we would get better balance sheets, better, more accurate statements of financial interests and true pictures of net worth. The federal government has said, look, we need you to have an appraisal system with standards sufficient to allow us to continue our massive federal loan programs. You want to use our federal loan programs, get up to speed on appraisers. We passed a bill last year. It has been reviewed by federal regulators and found to be wanting in a number of ways. Senator Beutler, today, champions a bill which came as the result of a task force by interested parties in an attempt to update last year's legislative initiative with the federal identified failures of that measure, as well as the rethinking of what we can do in the whole field of appraisal. The committee listened attentively and held the bill for the purpose of considering some amendments. Those amendments were forthcoming, adopted and the bill was advanced uniformly, unanimously. Among the provisions of the committee amendment are new definitions for the terms registered real estate appraiser and a transitional license. The deletion of proposed eliminations of exemptions, at one time the bill proposed to eliminate exemptions to appraisal. After a while we got to thinking that the exemptions made sense. They were difficult to harmonize with the rest of the structure of the bill and there was good reason to think that since the people that were involved were able to continue in place and do examinations which would not place at risk the balance sheets of financial institutions. We rewrote the existing law, the green copy, to provide for three classes of appraisers, registered, licensed and general certified appraisers, and then made harmonizing changes throughout the rest of the bill. We also changed some of the training standards which were required and we allowed that registration licensure and certification that the course of study necessary to achieve that could be conducted at technical community