

**Murdo, Patricia**

**From:** Jerry Mitchke [jerrym@mt.net]  
**Sent:** Friday, January 14, 2005 3:53 PM  
**To:** Murdo, Patricia  
**Subject:** Senate Bill No. 5

SENATE BUSINESS & INDUSTRY  
 EXHIBIT NO. 6  
 DATE 1/19/05  
 BILL NO. SB5

Pat: Could you please distribute this to the members of the Senate Business and Labor Committee. THANKS

Dear Senator:

Thanks you for the opportunity to testify before the Senate Business and Labor Committee, on Friday, January 14, 2005, in opposition to Senate Bill Number 5.

I would like to briefly clarify my response to Senator Cocchiarella's question regarding education and experience requirements.

What I attempted to say is that Montana is **not more stringent** (does not require more) than the Appraiser Qualifications Board's recommendations for education and experience to **all** states. I do not personally know what specific education and experience requirements other states have adopted (as I only practice in Montana I have no need to understand non-Montana requirements). I am sure that the Board of Real Estate Appraisers knows, or could determine for the Committee, what other states require.

I **do know** that national appraisal education providers develop and present their educational offerings based on the premise that the student will require 2000 hours of **mentored** experience in order to become a licensed appraiser. In other words, the education is not designed, nor is it sufficient, to turn out a finished product, a licensed appraiser.

It seems to me that most of the questions asked by the Committee were about issues that are not addressed in Senate Bill No.5 - specifically about mentor competency and the 100 mile radius rule. The only way that SB#5 seems to address these issues is by circumventing the Trainee process altogether.

I am in agreement with the Senators who question the 100 mile radius mentoring rule as I believe that market competency is not mileage specific. Either an appraiser is competent in a market or is not competent in that market. If an appraiser is competent to mentor at all, and is competent to appraise in a market, then the appraiser must be competent to mentor in that market. If an appraiser is incompetent to mentor at all, or is incompetent to appraise in a market, then the appraiser is incompetent to mentor in that market. Period. Case closed!

I believe an answer to an **unasked** question (How many mentor applicants have been turned down since the mentor process began, versus how many approved?) is important. The answer is 4 turned down (can resubmit when deficiencies are corrected) versus 43 approved. Thus, getting approval to be a mentor doesn't seem to be a big problem.

Wouldn't it be simpler to instruct the Board of Real Estate Appraiser's to eliminate the 100 mile radius rule rather than to pass SB#5 which creates a whole new category of licensed (but probably inadequately prepared) appraisers.

Another witness at your Committee hearing testified about the State of Texas and Provisional Licensing. He said that Texas has 9,000,000 people. I called the Texas Board today and they said they have 4,615 licensed appraisers, with 45 provisional licenses.

I think Montana has about 900,000 people (1/10th of Texas) with 449 active appraisers (about 1/10th of the appraisers). If the percentages hold then Montana would end up with about 1/10th of the provisional licensees, or 4 to 5 people. SB#5 seems like a lot of legislation, with a lot of pitfalls, for potentially 4 or 5 people.

Please call me if I can be of further assistance.

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