



North Dakota Farm Credit Council

AgCountry Farm Credit Services

Farm Credit Services of Mandan

TO: House IBL Committee Chairman Louser
Rep. Koppelman
Rep. Wagner
Rep. Christy

FROM: Dana Bohn, NDFCC Executive Director

DATE: January 17, 2023

RE: HB 1107

On behalf of the North Dakota Farm Credit Council (NDFCC), I would like to express our opposition to the HB 1107 amendments presented by the North Dakota Appraisers Association (NDAA) because they don't include the Farm Credit Administration (FCA), which regulates the Farm Credit Services associations, in the definition of agencies. Farm Credit Services has licensed appraisers on staff, and we are regulated by the Farm Credit Administration (FCA). Therefore, it is essential for us to have our regulator, the Farm Credit Administration (FCA), included in the definition of agency.

I have also included information from AgCountry Farm Credit Services Chief Appraiser Timothy L. Kreft, ARA, regarding additional NDFCC concerns with the NDAA amendments below:

While expanding the definition of agencies to include the Farm Credit Administration (FCA) is our top priority, we also believe the amendments are inadequately written as they may exclude some institutions that are not federally insured depository institutions, such as Farm Credit Administration (FCA) or possibly another federal institution.

The amendment in Section 4, part 4, should not be part of the appraisal regulations as the state appraisal board will have no oversight over evaluations being performed by individuals who do not carry an appraisal license. Without minimal oversight as to how evaluations are completed, there may be no consequences if an individual completes an evaluation that is not credible or reliable to the institution.

In Section 4, part 6, regarding the amendment for the Bank of North Dakota proposal, this is already covered in Section 4, part 5, that allows an individual to provide, through the ordinary course of business, an employee to provide their employers with an opinion of value for real estate to that person's employer.

In Section 4, part 5, we recommend the amendment language be changed to the following.

This chapter does not apply to a person who in the ordinary course of business, give an opinion of the value of real estate to that person's employer, which shall include any licensed real estate appraiser. An evaluation by a licensed real estate appraiser under this subdivision must contain a disclosure that the evaluation is not an appraisal.

In Section 15, we would recommend the amendment language for Evaluations be replaced with the following:

Evaluations.

Any licensed real estate appraiser may provide an evaluation. When providing an evaluation, a licensed real estate appraiser is not engaged in real estate appraisal activity and is not subject to this chapter. An evaluation by a licensed real estate appraiser under this subdivision must contain a disclosure that the evaluation is not an appraisal.

Thank you for allowing us to express opposition to the NDAA amendments to HB 1107. We would support legislation that improves the amount of time (excessive wait time) consumers are experiencing when trying to obtain an valuation, which could be done by allowing licensed appraisers to complete evaluations for lending institutions when under the exception threshold or de minimis; however, we would continue to stress the importance of maintaining the credibility and reliability of these valuations and the importance of those individuals conducting evaluation being adequately trained and remaining unbiased.

NDFCC is comprised of two farmer/rancher-owned independent Farm Credit associations that provide credit and financial services to farmers, ranchers and agribusinesses of all sizes and income ranges in every county in North Dakota. North Dakota Farm Credit cooperatives provide about \$12.7 billion in loans to farmers, ranchers and agribusinesses and provide financial services to approximately 28,000 customers.

If you have questions or need additional information, feel free to contact AgCountry Farm Credit Services Chief Appraiser Timothy L. Kreft, ARA, at 701-499-2611 or Tim.Kreft@agcountry.com or me at 701-355-4458 or dbohn@clearwatercommunications.net . Thank you.

Independently owned and operated associations serving North Dakota.

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