



Testimony of Sandra Adomatis, SRA

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Before the House Natural Resources Subcommittee on Federal Lands

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Good morning, Chairman Tiffany, Ranking Member Neguse and Members of the Subcommittee: thank you for inviting me to testify on H.R. 5433, the Accelerating Appraisals and Conservation Efforts or ACE Act. My name is Sandra Adomatis, and I am the 2024 President of the Appraisal Institute, the largest professional association of real estate appraisers.

The Appraisal Institute thanks Representatives Lee and Joyce for their leadership in introducing the ACE Act, legislation that aims to increase the pool of available appraisers to the U.S. Department of Interior. Specifically, this legislation will allow appraisers who carry a certified general credential in one state to perform appraisals or other valuation services in any other State if the services fall under the authority of the Department of Interior. Similar allowances are enjoyed by federal staff appraisers, and we believe extension of this benefit will help expand the pool of appraisal service providers to Interior.

Access to appraisers and appraisals services by the Appraisal and Valuation Services Office (AVSO) of the Department of Interior has been a point of emphasis for several years. Since 2021, AVSO has seen a 16% increase in the number of contract appraisers and a 38% decrease in the number of appraiser position vacancies. Congressionally approved pay raise for AVSO appraisers has been a big contributor to the turnaround. The flexibility provided here by the ACE Act should also assist in increasing the number of appraisers available to the AVSO, but there is still work to be done.

We are pleased the ACE Act calls for the Department to look within the state where the appraisals or valuation are to be performed first before they look at appraisers from other States. Having local appraisal expertise is of utmost importance to protecting taxpayer interests. This ensures the very best and most competent appraisers would be preparing appraisals in land exchanges, conservation easements, and other federal acquisitions. Many Designated members of the Appraisal Institute regularly perform appraisals for the Department of Interior. Maintaining state credentials can be an onerous, time-consuming, and expensive task. Helping streamline or remove these regulatory hurdles helps to increase efficiency and reduces costs.

Professional real estate appraisers face a complex regulatory structure that involves a patchwork of state licensing laws. It is an expensive and cumbersome process for all appraisers, but particularly those who offer services in more than one state, like many DOI contract appraisers. The Appraisal Institute has supported legislation in Congress – the Portal for Appraisal Licensing Act (H.R. 2771, S. 2692) – that would establish a nationwide system for appraiser licensing. Specifically, under the proposed PAL Act, appraisers would have the ability to undertake “one stop shopping” when applying for state licenses. We believe the PAL Act would help users and stakeholders engage a broader pool of qualified appraisers throughout the country. Passage of the PAL Act would be another important tool to improve appraiser accessibility throughout federal lands programs and in the entire real estate sector.

The availability of appraisers cannot just be about keeping appraisers in the business. Many practicing appraisers are nearing retirement, so we are engaged in several initiatives aimed at attracting the next generation of appraisers. Since 2019, the Appraisal Institute has helped lead the Appraiser Diversity



Initiative (ADI), an industry collaboration with Fannie Mae, Freddie Mac and the National Urban League that promotes the appraisal profession to diverse communities. ADI helps raise awareness by hosting workshops, both in person and virtual, throughout the United States. These workshops educate participants about professional opportunities in real estate appraisal, inviting interested participants to apply for education scholarships.

Beyond the ADI, providing alternate pathways into the profession has been a major area of focus for our organization in recent years. We are the first to bring to market an innovative program that enables aspiring appraisers to complete their requisite field experience in a virtual environment. The Practical Applications of Real Estate Appraisals or "PAREA" program provides an alternative to the traditional supervisory appraiser-trainee model for gaining experience in real estate appraisal. Through PAREA, experience is cultivated in a simulated environment leveraging technology and the vast body of knowledge of the AI to present valuation scenarios to aspiring appraisers. A team of experienced real estate appraiser mentors monitors these scenarios. It is akin to pilots who gather experience in flight simulators or surgeons that expand their skills virtually. Launched last year, the Appraisal Institute's PAREA program is being utilized by 125 aspiring appraisers, including veterans, minorities, women, and those in underserved and rural areas.

These initiatives and other efforts such as the ACE Act and PAL Act will help reduce regulatory burdens on appraisers and expand the pool of appraiser service providers. We urge their favorable consideration by this committee and look forward to working with you on their enactment.

Thank you again for the opportunity to be before you today, and I look forward to answering any questions you may have.