

STAND. COM. REP. NO.

2636

Honolulu, Hawaii

MAR 03 2010

RE: S.C.R. No. 41

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.C.R. No. 41 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A SUNRISE REVIEW OF THE REGULATION OF REAL ESTATE APPRAISAL MANAGEMENT COMPANIES,"

begs leave to report as follows:

The purpose of this measure is to request an Auditor's sunrise review of the regulation of real estate appraisal management companies.

Your Committee received testimony in support of this measure from the Hawaii Chapter of the Appraisal Institute and one private citizen. Testimony with comments was received from Hawaii Financial Services Association; Clear Capital; and LSI, a division of Lender Processing Services, Inc. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that appraisal management companies perform many important functions including appraisal review, quality control, market value dispute resolution, warranty administration, and record retention. Because of the importance of these functions and the rapid growth of the appraisal management industry in recent years, it is important that appraisal management companies be held to high standards of professionalism and ethical behavior. Your Committee further finds that the appraisal industry itself has been the strongest proponent of regulation, both in Hawaii and across the United States.

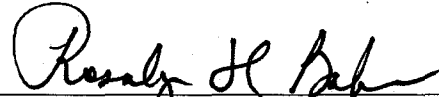
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Your Committee further finds that the Legislature passed a resolution similar to this one in the 2009 Regular Session requesting that the Auditor perform a sunrise review of real estate appraisal management companies as provided in S.B. No. 1606. Your Committee notes that the Auditor has, to date, not conducted the requested study. It is the intent of your Committee, through this measure, to once again urge the Auditor to perform the requested study so that the Legislature may enact needed regulations of this important industry.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 41 and recommends that it be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,



ROSALYN H. BAKER, Chair



