

Amendments to House Bill No. 188
1st Reading Copy

Requested by Representative Cleve Loney

For the House Business and Labor Committee

Prepared by Bartley Campbell
February 15, 2011 (9:45am)

1. Title, page 1, line 7.
Following: "ESTATE APPRAISERS;"
Insert: "AND"
2. Title, page 1, line 8 through line 9.
Strike: ";" on line 8 through "DATE" on line 9
3. Page 1, line 28 through page 2, line 1.
Strike: "an" on page 1, line 28 through "securitization" on page 2, line 1
Insert: ", in connection with valuation of properties collateralizing mortgage loans or mortgages incorporated into a securitization, an external third party, authorized either by a creditor of a consumer credit transaction secured by a consumer's principal dwelling or by an underwriter of or other principal in the secondary mortgage markets, that oversees a network or panel of more than 15 certified or licensed appraisers in this state or 25 or more nationally within a given year"
4. Page 4, line 15.
Strike: "-- exemption"
Following: "(1)"
Insert: "(a)"
5. Page 4, line 16 through line 29.
Following: "person" on line 16
Strike: ", " on line 16 through "board." on line 29
Insert: "to directly or indirectly engage in or attempt to engage in business as an appraisal management company or to advertise or hold itself out as engaging in or conducting business as an appraisal management company in this state without first obtaining a registration issued by the board.
(b) An applicant for registration as an appraisal management company in this state shall submit an application to the board on forms prescribed by the department.
(c) If a registration process is not in effect on October 1, 2011, an appraisal management company already conducting business in this state may continue to conduct business in accordance with this chapter until 120 days after a registration process becomes

available. Upon expiration of the 120-day period, the appraisal management company must be registered as required by this chapter in order to continue to provide or offer to provide appraisal management services in this state."

6. Page 4, line 22 through line 29.

Strike: subsections (2) and (3) in their entirety

Insert: "(2) An application for the registration required by subsection (1) must include the following information:

- (a) the name of the person seeking registration and the fictitious name or names, if any, under which the person does business in any state;
 - (b) the business address of the person seeking registration;
 - (c) the phone contact information of the person seeking registration;
 - (d) if the appraisal management company is not a corporation domiciled in this state, the name and contact information for the company's designated contact for service of process in this state;
 - (e) the name, address, and contact information for one controlling person within the appraisal management company;
 - (f) a certification that the person has a system and process in place to verify that an individual holds a license in good standing in this state pursuant to 37-54-202 if a license or certification is required to perform appraisal assignments;
 - (g) a certification that the person requires appraisers completing appraisal assignments at its request to comply with the Uniform Standards of Professional Appraisal Practice, including the requirements for geographic and product competence;
 - (h) a certification that the person has a system in place to verify that only licensed or certified appraisers are used for federally related transactions;
 - (i) a certification that the person has a system in place to require that appraisals are conducted independently and free from inappropriate influence and coercion as required by the appraisal independence standards established under section 129E of the Truth in Lending Act of 1968, 15 U.S.C. 1601, et seq., including the requirement that the fee appraisers be compensated at a customary and reasonable rate when the appraisal management company is providing services for a consumer credit transaction secured by the principal dwelling of a consumer;
 - (j) a certification that the person maintains a detailed record of each service request that it receives and the appraiser that performs the appraisal service for the appraisal management company;
 - (k) an irrevocable uniform consent to service of process;
- and
- (1) any other information required by the board that is reasonably necessary to implement this chapter.
 - (3) An application for renewal of a registration must

include information substantially similar to that required for the initial registration in subsection (2), as determined by the board.

(4) Renewals of registered appraisal management companies must be in accordance with 37-1-141. The department shall provide notice to an appraisal management company prior to the renewal date."

7. Page 5, line 1.

Strike: "Exemption"

Insert: "Registration exemptions"

Following: "."

Insert: "(1)"

8. Page 5, following line 2.

Insert: "(2) An appraisal management company that is a subsidiary owned and controlled by a financial institution that is regulated by a federal financial institution regulatory agency is not required to register with the board but shall comply with all provisions of this chapter, as long as the provisions of this chapter do not conflict with federal law related to the operation of an appraisal management company in this state."

9. Page 5, line 7.

Following: "state"

Insert: "unless the license or certificate was subsequently granted or reinstated"

10. Page 5, line 9.

Following: "state"

Insert: "unless the license or certificate was subsequently granted or reinstated"

11. Page 5, line 14.

Following: "entity that"

Insert: "directly"

12. Page 5, line 15.

Following: "entity that"

Insert: "directly"

Following: the second "10%"

Insert: "directly"

13. Page 5, line 26.

Following: "state"

Insert: "unless the license or certificate was subsequently granted or reinstated"

14. Page 6, line 4.

Following: "revocation"

Insert: "unless the license or certificate was subsequently granted or reinstated"

15. Page 6, line 7.

Following: "revocation"

Insert: "unless the license or certificate was subsequently granted or reinstated"

16. Page 6, line 8 through line 11.

Strike: subsection (3) in its entirety

17. Page 6, line 14.

Following: "review"

Insert: "for a property located in this state"

18. Page 6, line 15 through line 16.

Following: "certified in"

Strike: "the" on line 15 through "located" on line 16

Insert: "this state"

19. Page 6, line 27.

Following: "."

Insert: "Verification by reference to information published on the website of the appraisal subcommittee of the federal financial institutions examination council must be considered acceptable for purposes of compliance with this section."

20. Page 6, line 30.

Following: "board"

Insert: "on an annual basis"

21. Page 7, line 1.

Following: "verify"

Strike: "on an annual basis"

22. Page 7, line 6.

Following: "board"

Insert: "on an annual basis"

23. Page 7, line 7.

Following: "verify"

Strike: "on an annual basis"

24. Page 7, line 11.

Following: "."

Insert: "Verification by reference to information published on

the website of the appraisal subcommittee of the federal financial institutions examination council must be considered acceptable for purposes of compliance with this section."

25. Page 7, line 14.

Following: "board"

Insert: "on an annual basis"

26. Page 7, line 16.

Strike: "ensure"

Insert: "validate"

27. Page 7, line 19.

Strike: "Annual audit"

Insert: "Audits"

28. Page 7, line 19 through line 28.

Strike: subsections (1) through (3) in their entirety

Insert: "Upon renewal, not less than 10% of the appraisal management companies in this state must be subjected to a random audit. Audited appraisal management companies shall submit the recordkeeping documentation described in [section 15] for the 12-month period prior to renewal and any other documentation the board requests to validate compliance with this chapter. Any costs incurred by the board during an audit may be attributed to the appraisal management company."

29. Page 8, line 1.

Following: "board"

Insert: "on an annual basis"

30. Page 8, line 1 through line 2.

Following: "documentation"

Strike: "on" on line 1 through "basis" on line 2

31. Page 8, line 10 through line 17.

Strike: section 16 in its entirety

Renumber: subsequent sections

32. Page 8, line 22.

Strike: "instruction,"

33. Page 9, line 11.

Following: "appraiser;"

Insert: "or"

34. Page 9, line 12 through line 17.

Strike: "(i)" on line 12 through "; or" on line 17

Renumber: subsequent subsection

35. Page 9, line 18.

Strike: "(j)"

Insert: "(i)"

36. Page 9, following line 21.

Insert: "(a) consider additional appropriate property information that falls within the original scope of work for that appraisal service;"

Renumber: subsequent subsections

37. Page 9, line 26.

Strike: "or substandard performance of services"

38. Page 10, line 2.

Following: "appraiser"

Insert: "unless the alteration is mandated by federal laws, guidelines, or provisions. This section does not apply to the conversion of appraisal reports to data streams required by federal lending agencies"

39. Page 10, line 7.

Following: "Advertising."

Insert: "(1)"

40. Page 10, line 8 through line 9.

Following: "number" on line 8

Strike: "in" on line 8 through "internet" on line 9

Insert: "on its engagement letter for each appraisal assignment"

41. Page 10, following line 9.

Insert: "(2) An appraiser who completes work for an unregistered or suspended appraisal management company is subject to disciplinary action for unprofessional conduct. An appraiser shall list the appraisal management company's approved registration number in the body of the appraisal report."

42. Page 10, line 14.

Following: "examination"

Insert: ", including items that are found to be incomplete within the defined scope of work in the original assignment"

43. Page 10, line 17.

Following: "area"

Insert: "and the appraiser has notified the appraisal management company of the issue"

44. Page 10, line 20.

Following: "obligations"

Insert: "and the appraiser has notified the appraisal management company of the issue"

45. Page 10, line 21.

Following: "inhibits"

Insert: "legal and allowable"

46. Page 11, line 4.

Strike: "22"

Insert: "21"

47. Page 11, line 6.

Strike: "22"

Insert: "21"

48. Page 11, line 8.

Strike: section 24 in its entirety

- END -