

Proposed definitions of appraisal management company

From NCSL database of state legislation as of 4/4/11:

**Illinois**

"Appraisal management company" means any corporation, limited liability company, partnership, sole proprietorship, subsidiary, unit, or other business entity that directly or indirectly performs the following appraisal management services:

- 1) Administers networks of independent contractors or employee appraisers to perform real estate appraisal assignments for clients;
- 2) Receives requests for real estate appraisal services from clients and, for a fee paid by the client enters into an agreement with one or more independent appraisers to perform the real estate appraisal services contained in the request; or
- 3) Otherwise serves as a third-party broker of appraisal management services between clients and appraisers.

**Kentucky**

"Appraisal management company" means a person who performs the actions necessary to administer a network of state-licensed appraisers to fulfill requests for appraisal management services on behalf of a client, including but not limited to the following actions:

- a) Recruiting appraisers;
- b) Contracting with appraisers to perform appraisal services;
- c) Collecting fees from clients;
- d) Negotiating fees with appraisers or reimbursing appraisers for appraisal services;
- e) Receiving appraisal orders and appraisal reports;
- f) Submitting appraisal reports received from appraisers to the company's clients;
- g) Reviewing or verifying appraisal reports; or
- h) Managing the process of having an appraisal performed, including providing related administrative and clerical duties.

**Massachusetts**

"Appraisal management company" means, in connection with valuing properties collateralizing mortgage loans or mortgages incorporated into a securitization, any 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 a state or 25 or more nationally, excluding those appraisers who do not provide appraisal services for covered transactions, within a given year –

- A) To recruit, select, and retain appraisers;
- B) To contract with licensed and certified appraisers to perform appraisal assignments;
- C) To manage the process of having an appraisal performed, including providing administrative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and underwriters, collecting fees from creditors and underwriters for services provided, and reimbursing appraisers for services performed; or
- D) To review and verify the work of appraisers.

*used*

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**Maryland**

"Appraisal management company" means a third party authorized 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 directly or indirectly provides appraisal management services in connection with valuing properties collateralizing mortgage loans or mortgages incorporated in a securitization.