

## RÉSUMÉ DIGEST

ACT 415 (SB 222)

2022 Regular Session

Lambert

Prior law defined "appraisal management company" as any corporation, partnership, sole proprietorship, subsidiary, unit, or other business entity that engages in the following:

- (1) Administers a network of independent contract appraisers to perform services.
- (2) Receives requests for residential appraisal services and enters into agreements with independent contract appraisers to perform services.

New law redefines an "appraisal management company" as any third-party that oversees a network panel of more than 15 licensed appraisers in the state or 25 or more licensed appraisers in two or more states and is authorized by a creditor of a consumer credit transaction secured by a consumer's principal dwellings or by an underwriter of, or other principal in, the secondary mortgage markets to do the following:

- (1) Recruit, select, contract with, or retain an appraiser to perform an appraisal and to verify any work performed by the appraiser.
- (2) Manage the process of having an appraisal performed.

Existing law provides that an appraisal management company applying for a license may not be owned by any person who has had a license or certificate to act as an appraiser, real estate broker or agent, or mortgage originator, which combined are considered herein to be real estate or lending-related licenses refused, denied, suspended, canceled, or revoked in the past in any state without specific approval by the licensing board.

New law adds that an appraisal management company applying for a license may not be owned by any person who has had a license or certificate to act as an appraiser, real estate broker or agent, or mortgage originator, which is considered to be a real estate or lending-related license surrendered in lieu of revocation in any state.

Existing law provides that any licensed appraisal management company with an owner or employee whose real estate or lending-related license has been suspended, revoked, or canceled subsequent to being registered shall notify the board within 10 days.

New law extends the 10-day notice requirement to any licensed appraisal management company with an owner or employee whose real estate or lending-related license has been refused, denied, or surrendered in lieu of revocation.

Existing law provides that a person that has ownership interest in an appraisal management company shall certify that he has never had a license to act as an appraiser refused, denied, canceled, suspended, or revoked in this state or any other state.

New law further provides that a person that has ownership interest in an appraisal management company shall certify that he has never had a license to act as an appraiser surrendered in lieu of revocation in this state or any other state.

Existing law provides that to serve as a controlling person of an appraisal management company, certain requirements must be met, including a certification to the board that such person's certificate or license has never been refused, denied, canceled, suspended, or revoked in any state.

New law provides that a controlling person shall certify that he has never had a license to act as an appraiser surrendered in lieu of revocation in order to serve as the controlling person of an appraisal management company.

Prior law provides that within the first 30 days after an independent appraiser is added to the appraisal panel, an appraisal management company may not remove an appraiser from its appraisal panel or refuse to assign request to do appraisals without:

- (1) Providing written notification of reasons why the appraiser is being removed.

- (2) Providing an opportunity for the appraiser to respond to the written notification.

New law provides that an appraisal management company shall not remove an appraiser from its appraiser panel or refuse to assign requests to do appraisals without:

- (1) Providing written notification of reasons why the appraiser is being removed.
- (2) Providing an opportunity for the appraiser to respond to the written notification.

New law provides that any appraisal management company that does not meet the minimum qualifications established by federal law (12 U.S.C. 3350(11)) shall not be included in the National Registry of Appraisal Management Companies.

New law does not apply to any entity which is subsidiary-owned and controlled by a federal financial institution regulatory agency.

Prior law, relative to licensing and renewals, expires on December 31, 2022.

New law expires on December 31, 2026.

Effective June 15, 2022.

(Amends R.S. 37.3415.2(2), 3415.8(A), (C), and (E)(3), 3415.9(B)(1), 3415.10(D), and 3415(18)(A)(intro para); adds R.S. 37:3415.22(C))