The original instrument was prepared by Xavier Alexander. The following digest, which does not constitute a part of the legislative instrument, was prepared by Cheryl Serrett.

DIGEST

SB 222 Reengrossed

2022 Regular Session

Lambert

<u>Present law</u> defines "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.

<u>Proposed law</u> 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.

<u>Present law</u> 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.

<u>Proposed law</u> 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.

<u>Present law</u> 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.

<u>Proposed law</u> retains <u>present law</u> and 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.

<u>Present law</u> 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.

<u>Proposed law</u> retains <u>present law</u> and 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.

<u>Present law</u> 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.

<u>Proposed law</u> retains <u>present law</u> and further 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.

<u>Present law</u> 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 appraiser 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.

<u>Proposed law</u> 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.

<u>Proposed law</u> 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.

<u>Proposed law</u> provides that the provisions of <u>present law</u> and <u>proposed law</u> do not apply to any entity which is subsidiary-owned and controlled by a federal financial institution regulatory agency.

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

<u>Proposed law</u> extends the expiration date in <u>present law from</u> December 31, 2022, <u>to</u> December 31, 2026.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(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))

Summary of Amendments Adopted by Senate

<u>Committee Amendments Proposed by Senate Committee on Commerce, Consumer</u> <u>Protection, and International Affairs to the original bill</u>

- 1. Make technical amendments.
- 2. Changes definition of "appraisal management company" <u>from</u> any third-party that oversees 25 or more licensed appraisers nationally <u>to</u> any third-party that oversees 25 or more licensed appraisers in two or more states.

Senate Floor Amendments to engrossed bill

1. Makes technical corrections.