

SENATE BILL NO. 222

BY SENATOR LAMBERT

1 AN ACT

2 To amend and reenact R.S. 37:3415.2(2), 3415.8(A), (C), and (E)(3), 3415.9(B)(1),
3 3415.10(D), and the introductory paragraph of 3415.18(A) and to enact R.S.
4 37:3415.22(C), relative to the Louisiana Appraisal Management Company Licensing
5 and Regulation Act; to provide for definitions; to provide appraisal management
6 company ownership and controlling person requirements; to provide for procedures;
7 to exempt federally regulated appraisal management companies; to provide for an
8 effective date; to provide a sunset date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 37:3415.2(2), 3415.8(A), (C), and (E)(3), 3415.9(B)(1), 3415.10(D),
11 and the introductory paragraph of 3415.18(A) are hereby amended and reenacted and R.S.
12 37:3415.22(C) is hereby enacted to read as follows:

13 §3415.2. Definitions

14 As used in this Chapter, the following words have the ~~meaning~~ meanings
15 ascribed to them in this Section unless the context clearly indicates otherwise:

16 * * *

17 (2) "Appraisal management company" means ~~any corporation, partnership,~~
18 ~~sole proprietorship, subsidiary, unit, or other business entity that engages in any of~~
19 ~~the following activity;~~ in connection with valuing properties collateralizing
20 mortgage loans or mortgages incorporated into a securitization, any third party
21 that annually oversees a network panel of more than fifteen licensed appraisers
22 in the state or twenty-five or more licensed appraisers in two or more states and
23 is authorized either by a creditor of a consumer credit transaction secured by
24 a consumer's principal dwelling or by an underwriter of, or other principal in,
25 the secondary mortgage markets to do both of the following:

26 (a) ~~Administers a network of independent contract appraisers to perform real~~
27 ~~estate appraisal services for lenders or other clients.~~ Recruit, select, contract with,

1 or otherwise retain an appraiser for the purpose of performing an appraisal and
2 to verify any work performed by the appraiser for compliance with applicable
3 state and federal requirements.

4 (b) ~~Receives requests for residential appraisal services from clients and enters~~
5 ~~into agreements, written or otherwise, with one or more independent appraisers to~~
6 ~~perform the real estate appraisal services contained in the request. Manage the~~
7 ~~process of having an appraisal performed, including but not limited to~~
8 ~~providing administrative duties, receiving appraisal orders and appraisal~~
9 ~~reports, submitting completed appraisal reports to creditors and underwriters,~~
10 ~~collecting fees from creditors and underwriters for services provided, and~~
11 ~~reimbursing appraisers for services performed.~~

12 * * *

13 §3415.8. Owner requirements

14 A. An appraisal management company applying for a license in this state
15 may not be owned by any person who has had a license or certificate to act as an
16 appraiser, real estate broker or agent, mortgage broker, or mortgage originator, which
17 combined are considered ~~herein~~ to be "real estate or lending-related licenses"
18 refused, denied, suspended, canceled, **surrendered in lieu of revocation**, or revoked
19 in the past in any state ~~without specific approval by the board.~~

20 * * *

21 C. Any licensed appraisal management company with an owner or employee
22 whose real estate or lending-related license has been ~~suspended, revoked, or~~
23 ~~cancelled~~ **refused, denied, suspended, canceled, surrendered in lieu of**
24 **revocation, or revoked** subsequent to being registered shall notify the board in
25 writing within ten days of such action.

26 * * *

27 E. Each person that has any ownership interest in an appraisal management
28 company in this state shall comply with all of the following:

29 * * *

30 (3) Certify to the board that the person has never had a license to act as an

1 appraiser refused, denied, ~~cancelled~~, **canceled**, suspended, **surrendered in lieu of**
2 **revocation**, or revoked in this state or in any other state.

3 §3415.9. Controlling person; requirements

4 * * *

5 B. In order to serve as a controlling person of an appraisal management
6 company, a person shall comply with all of the following:

7 (1) Certify to the board that he has never had a certificate or license issued
8 by the board of this state, or the board of any other state, to act as an appraiser
9 refused, denied, canceled, suspended, **surrendered in lieu of revocation**, or
10 revoked.

11 * * *

12 §3415.10. License application assessment; delinquent renewal

13 * * *

14 D. The provisions of this Section shall expire on December 31, ~~2022~~ **2026**.

15 * * *

16 §3415.18. Adjudication of disputes between an appraisal management company and
17 an appraiser

18 A. ~~Except within the first thirty days after an independent appraiser is first~~
19 ~~added to the appraiser panel of an appraisal management company, an An appraisal~~
20 management company ~~may~~ **shall** not remove an appraiser from its appraiser panel,
21 or otherwise refuse to assign requests for real estate appraisal services to an
22 independent appraiser without doing all of the following:

23 * * *

24 §3415.22. Federal registry requirements

25 * * *

26 **C.(1) Any appraisal management company not meeting the minimum**
27 **qualifications established by 12 U.S.C. 3350(11) shall not be included in the**
28 **National Registry of Appraisal Management Companies as administered by the**
29 **Appraisal Subcommittee of the Federal Financial Institutions Examination**
30 **Council.**

1 **(2) In accordance with 12 U.S.C. 221 et seq., this Chapter does not apply**
2 **to any entity that is a subsidiary owned and controlled by a federal financial**
3 **institution regulatory agency, including the Board of Governors of the Federal**
4 **Reserve System, the Federal Deposit Insurance Corporation, the Office of the**
5 **Comptroller of the Currency, the Office of Thrift Supervision, and the National**
6 **Credit Union Administration.**

7 Section 2. This Act shall become effective upon signature by the governor or, if not
8 signed by the governor, upon expiration of the time for bills to become law without signature
9 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
10 vetoed by the governor and subsequently approved by the legislature, this Act shall become
11 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____