

2016 Regular Session

HOUSE BILL NO. 804

BY REPRESENTATIVE PUGH

REAL ESTATE/APPRAISERS: Regulates real estate appraisers and appraisal management companies

1 AN ACT

2 To amend and reenact R.S. 37:3397(B)(1) and (3), 3411, 3415.10, 3415.15(A) and to enact
3 R.S. 37:3415.16(C) and 3415.22, relative to the regulation of real estate appraisers
4 and appraisal management companies; provides for licensing classifications and
5 requirements; to regulate record keeping requirements; to remove a sunset provision;
6 to regulate real estate appraiser compensation; to impose restrictions on the
7 assessment of fees or costs; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 37:3397(B)(1) and (3), 3411, 3415.10, 3415.15(A) are hereby
10 amended and reenacted, and R.S. 37:3415.16(C) and 3415.22 are enacted to read as follows:

11 §3397. License classifications; criteria

12 * * *

13 B.(1)(a) Applicants for a real estate appraiser trainee license shall be subject
14 to training and direct supervision by a certified appraiser who meets all of the
15 following qualifications:

16 (i) Has been licensed as a certified real estate appraiser in Louisiana for at
17 least three years prior to becoming a supervising appraiser.

18 (ii) Is in good standing as a certified residential or certified general real
19 estate appraiser in Louisiana.

1 (b) Both the trainee applicant and the supervising appraiser shall complete
 2 a course that complies, at minimum, with the specifications for course content
 3 established by the Appraiser Qualifications Board (AQB) of the Appraisal
 4 Foundation. The course shall be oriented toward the requirements and
 5 responsibilities of supervising appraisers and expectations for trainee appraisers.
 6 The course shall be completed by the trainee appraiser prior to obtaining a trainee
 7 appraiser license and by the supervising appraiser prior to supervising a trainee
 8 appraiser. The supervising appraiser shall not have been subject to any disciplinary
 9 action in any jurisdiction within the last three years that affects the supervisor's legal
 10 eligibility to engage in appraiser practice. The appraiser trainee is permitted to have
 11 more than one supervising appraiser. The scope of work for the appraiser trainee is
 12 limited to the appraisal of those properties that the supervising appraiser is licensed
 13 to appraise.

14 * * *

15 (3) ~~The appraiser trainee shall maintain a separate appraisal log for each~~
 16 ~~supervising licensed appraiser that includes, at a minimum, the following~~
 17 ~~information for each appraisal~~ An appraisal experience log shall be maintained
 18 jointly by the supervising appraiser and the trainee appraiser. It is the responsibility
 19 of both the supervisory appraiser and the trainee appraiser to ensure the appraisal
 20 experience log is accurate, current, and complies with the requirements of the trainee
 21 appraiser's credentialing jurisdiction. At a minimum, the appraisal log shall include
 22 the following:

- 23 (a) Type of property.
- 24 (b) ~~Client name and address~~ Date of report.
- 25 (c) Address of appraised property.
- 26 (d) Description of work performed by the ~~appraiser trainee and supervising~~
 27 ~~appraiser~~ trainee appraiser and scope of the review and supervision of the
 28 supervisory appraiser.
- 29 (e) Number of actual work hours by the trainee appraiser on the assignment.

1 (f) ~~Name~~; The signature; and state license certification number of the
2 supervising supervisory appraiser. Separate appraisal logs shall be maintained for
3 each supervisory appraiser if applicable.

4 * * *

5 §3411. Documents to be retained

6 A licensed real estate appraiser shall retain for five years originals or true
7 copies of contracts engaging the appraiser's services for real property appraisal work,
8 appraisal reports, and supporting data assembled and formulated by the appraiser in
9 preparing reports. The period for retention of the records applicable to each
10 engagement of the services of the appraiser shall run from the date of the submission
11 of the appraisal report to the client. These records shall be made available by the
12 appraiser for inspection and copying by the board on reasonable notice to the
13 appraiser. When litigation is contemplated at any time, reports and records shall be
14 retained for two years ~~after the trial date~~ from final disposition.

15 * * *

16 §3415.10. License application assessment; delinquent renewal

17 A. When accepting an application for an initial or renewal license, the board
18 is authorized to collect an assessment not in excess of one thousand five hundred
19 dollars.

20 B. If the license renewal is delinquent, the board is further authorized to
21 collect a delinquent renewal assessment as follows:

22 (1) If the renewal application is submitted during the period of January first
23 to February fifteenth, an amount not in excess of one hundred fifty dollars.

24 (2) If the renewal application is submitted during the period of February
25 sixteenth to June thirtieth, an amount not in excess of three hundred dollars.

26 C. If an initial license is issued after January first of any year, the assessment
27 shall be prorated to the remaining portion of the year ending December thirty-first.

28 ~~D. The provisions of this Section shall expire on December 31, 2015.~~

29 * * *

1 §3415.15. Fees; customary and reasonable; disclosure

2 A. An appraisal management company shall compensate appraisers at a rate
3 that is customary and reasonable for appraisals being performed in the market area
4 of the property being appraised, consistent with the ~~presumptions of compliance~~
5 under final federal law rules as provided for in the applicable provisions of 12 CFR
6 Parts 34, 208, 225, 323, 390, 1026, and 1222.

7 * * *

8 §3415.16. Appraiser independence; prohibitions

9 * * *

10 C. It is unlawful for an appraisal management company to assess or require
11 the payment of any fee or cost by a fee appraiser that would result in the appraisal
12 management company failing to compensate an appraiser at a rate that is customary
13 and reasonable for appraisals being performed in the market area of the property
14 being appraised.

15 * * *

16 §3415.22. Federal registry requirements

17 A. The board shall collect, from each appraisal management company that
18 is registered or seeking to be registered in this state, the information that the
19 appraisal subcommittee requires to be submitted to it by the state pursuant to
20 regulations promulgated by the appraisal subcommittee, including the collection of
21 administrative fees consistent with the final federal rules as provided for in the
22 applicable provisions of 12 CFR Parts 34, 208, 225, 323, 390, 1026, and 1222.

23 B.(1) A federally regulated appraisal management company operating in this
24 state shall report to the board any information required to be submitted by the state
25 to the appraisal subcommittee pursuant to the policies of the appraisal subcommittee
26 regarding the determination of the appraisal management company national registry
27 fee.

28 (2) Reports submitted pursuant to this Subsection shall include the following:

1 (a) A statement, in a form prescribed by the board, detailing the intent of the
2 federally regulated appraisal management company to operate in this state.

3 (b)(i) Any information related to whether the appraisal management company
4 is owned in whole or in part, directly or indirectly, by any person who has had an
5 appraiser license or certification refused, denied, cancelled, surrendered in lieu of
6 revocation, or revoked in any state.

7 (ii) Any information related to the revocation of a license of any person
8 described in Paragraph (i) of this Paragraph and whether the revoked license has
9 been reinstated by the state or states in which the appraiser was licensed.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 804 Original

2016 Regular Session

Pugh

Abstract: Regulates real estate appraisers and appraisal management companies.

Present law establishes the standard for certification as an appraiser who may supervise appraiser trainees. Present law requires a supervisor to have the following qualifications:

(i) Licensure as a certified real estate appraiser for at least three years prior to becoming a supervising appraiser.

(ii) Good standing as a certified residential or certified general real estate appraiser.

Proposed law adds a restriction that the enumerated qualifications of present law must have been achieved in La.

Present law states, in part, that a supervising appraiser shall not have been subject to any disciplinary action within the last three years that affects the supervisor's legal eligibility to engage in appraiser practice. Proposed law clarifies that the regulation imposed by present law includes such disciplinary actions in any jurisdiction.

Present law requires an appraiser trainee to maintain a separate appraisal log for each supervising licensed appraiser, and present law enumerates a list of information that must be included in the log. Proposed law amends present law and clarifies that an appraisal experience log shall be maintained jointly by the supervising appraiser and the trainee appraiser. Proposed law further clarifies that it is the responsibility of both the supervisory appraiser and the trainee appraiser to ensure the appraisal experience log is accurate, current, and complies with the requirements of the trainee appraiser's credentialing jurisdiction. Proposed law amends present law by changing the enumerated list of information that must be included in the log and establishes a minimum standard that includes the following:

(1) Type of property.

(2) Date of report.

- (3) Address of appraised property.
- (4) Description of work performed by the trainee appraiser and scope of the review and supervision of the supervisory appraiser.
- (5) Number of actual work hours by the trainee appraiser on the assignment.
- (6) The signature and state certification number of the supervisory appraiser. Separate appraisal logs shall be maintained for each supervisory appraiser if applicable.

Present law imposes certain record keeping requirements on licensed real estate appraisers. Present law requires appraisers to retain reports and records for two years after the trial date of any expected litigation. Proposed law requires appraisers to retain reports and records for two years after final disposition.

Present law imposes an expiration date on certain application procedures relative to applicants for licenses or licensees applying for a renewal of their licenses. Proposed law deletes the portion of present law imposing the sunset provision.

Present law requires any appraisal management company to compensate appraisers at a rate that is customary and reasonable for appraisals being performed in the market area of the property being appraised, consistent with the presumptions of compliance under federal law. Proposed law retains present law consistent with the final federal rules as provided for in the applicable provisions of 12 CFR Parts 34, 208, 225, 323, 390, 1026, and 1222.

Proposed law makes it unlawful for an appraisal management company to assess or require the payment of any fee or cost by a fee appraiser that would result in the appraisal management company failing to compensate an appraiser at a rate that is customary and reasonable for appraisals being performed in the market area of the property being appraised.

Proposed law requires the board to collect, from each appraisal management company that is registered or seeking to be registered in this state, the information that the appraisal subcommittee requires to be submitted to it by the state pursuant to regulations promulgated by the appraisal subcommittee, including the collection of administrative fees consistent with the final federal rules.

Proposed law requires federally regulated appraisal management companies operating in this state to report to the board any information required to be submitted by the state to the appraisal subcommittee pursuant to the policies of the appraisal subcommittee regarding the determination of the appraisal management company national registry fee. Proposed law requires that reports submitted pursuant to proposed law shall include the following:

- (1) A statement, in a form prescribed by the board, detailing the intent of the federally regulated appraisal management company to operate in this state.
- (2) Any information related to whether the appraisal management company is owned in whole or in part, directly or indirectly, by any person who has had an appraiser license or certification refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any state.
- (3) Any information related to the revocation of a license of any person described in proposed law and whether the revoked license has been reinstated by the state or states in which the appraiser was licensed.

(Amends R.S. 37:3397(B)(1)(a), (b), and (3), 3411, 3415.10, 3415.15(A); Adds R.S. 37:3415.16(C) and 3415.22)