

MAINE STATE LEGISLATURE

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SME
R.O.F.S

L.D. 1894

Date: 5/1/2018

(Filing No. S-494)

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STATE OF MAINE
SENATE
128TH LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 1327, L.D. 1894, Bill, "An Act To Correct Errors and Inconsistencies in the Laws of Maine"

Amend the amendment by inserting after Part C the following:

'PART D

Sec. D-1. 32 MRSA §§14041 to 14049-J, as repealed by 32 MRSA §14049-K, sub-§1, are reenacted to read:

§14041. Short title

This chapter may be known and cited as "the Appraisal Management Company Licensing Act."

§14042. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Appraisal. "Appraisal" has the same meaning as in section 14002, subsection 1.

2. Appraisal assignment. "Appraisal assignment" means an agreement between an appraiser and an appraisal management company to provide an appraisal service. "Appraisal assignment" does not include an appraisal review or quality control examination.

3. Appraisal management company. "Appraisal management company" means a person that:

A. Provides appraisal management services to creditors or secondary mortgage market participants with appraisers who are part of an appraiser panel that includes more than 15 appraisers who are independent contractors;

B. Provides appraisal management services in connection with valuing a consumer's principal dwelling as security for a consumer credit transaction or incorporating such transactions into securitizations; and

SENATE AMENDMENT

1 C. Within a calendar year or a 12-month period established by board rule, oversees
2 an appraiser panel of more than 15 certified or licensed appraisers in one state or 25
3 or more certified or licensed appraisers in more than one state.

4 "Appraisal management company" does not include a department or division of an entity
5 that provides appraisal management services only to that entity.

6 **4. Appraisal management service.** "Appraisal management service" means:

7 A. Recruiting, selecting and retaining appraisers;

8 B. Contracting with appraisers to perform appraisal assignments;

9 C. Managing the process of having an appraisal performed, including, but not limited
10 to:

11 (1) Providing administrative services;

12 (2) Receiving appraisal orders and appraisal reports;

13 (3) Submitting completed appraisal reports to creditors and secondary market
14 participants;

15 (4) Collecting fees from creditors and secondary market participants for services
16 provided; and

17 (5) Paying appraisers for services performed; and

18 D. Reviewing and verifying the work of appraisers.

19 **5. Appraisal review.** "Appraisal review" means the act or process of developing
20 and communicating an opinion about the quality of the work performed by an appraiser
21 as part of an appraisal assignment, which may take into account the appraiser's data
22 collection, analysis, opinions, conclusions, estimate of value or compliance with the
23 Uniform Standards of Professional Appraisal Practice. "Appraisal review" does not
24 include a quality control examination.

25 **6. Appraisal service.** "Appraisal service" means an act or process of completing an
26 appraisal assignment.

27 **7. Appraiser.** "Appraiser" means a person licensed under chapter 124.

28 **8. Appraiser panel.** "Appraiser panel" means a network, list or roster of licensed or
29 certified appraisers approved by an appraisal management company to perform appraisals
30 as independent contractors for the appraisal management company. "Appraiser panel"
31 includes appraisers accepted by an appraisal management company for consideration for
32 future appraisal assignments in covered transactions or for secondary mortgage market
33 participants in connection with covered transactions and appraisers engaged by an
34 appraisal management company to perform one or more appraisals in covered
35 transactions or for secondary mortgage market participants in connection with covered
36 transactions.

37 **9. Board.** "Board" means the Board of Real Estate Appraisers under section 14011.

1 **10. Client.** "Client" means a person that contracts with or otherwise enters into an
2 agreement with an appraisal management company for the performance of appraisal
3 management services.

4 **11. Consumer credit.** "Consumer credit" means credit offered or extended to a
5 consumer primarily for personal, family or household purposes.

6 **12. Controlling person.** "Controlling person" means:

7 A. An owner, officer or director of an appraisal management company;

8 B. An individual employed, appointed or authorized by an appraisal management
9 company who has authority to enter into a contractual relationship with other persons
10 for the performance of appraisal management services and has authority to enter into
11 agreements with appraisers for the performance of appraisal services; or

12 C. An individual who is authorized to, directly or indirectly, direct or cause the
13 direction of the management or policies of an appraisal management company.

14 **13. Covered transaction.** "Covered transaction" means a consumer credit
15 transaction secured by a consumer's principal dwelling.

16 **14. Creditor.** "Creditor" means a person who regularly extends consumer credit that
17 is subject to a finance charge or is payable by written agreement in more than 4
18 installments, not including a down payment, and to whom the obligation is initially
19 payable, either on the face of the note or contract or by agreement when there is no note
20 or contract. For the purpose of this subsection, a person regularly extends consumer
21 credit if the person:

22 A. Extended credit, other than credit subject to the requirements of 12 Code of
23 Federal Regulations, Section 1026.32 more than 5 times for transactions secured by a
24 dwelling in the preceding calendar year; or

25 B. In any 12-month period, originates more than one credit extension that is subject
26 to the requirements of 12 Code of Federal Regulations, Section 1026.32 or one or
27 more such credit extensions through a mortgage broker.

28 **15. Dwelling.** "Dwelling" means a residential structure that contains one to 4 units,
29 whether or not the structure is attached to real property. "Dwelling" includes an
30 individual condominium unit, cooperative unit, mobile home and trailer, if it is used as a
31 residence.

32 **16. Federal appraisal subcommittee.** "Federal appraisal subcommittee" means the
33 Appraisal Subcommittee of the Federal Financial Institutions Examination Council under
34 12 United States Code, Chapter 34.

35 **17. Federal financial institutions regulatory agency.** "Federal financial
36 institutions regulatory agency" means the federal Office of the Inspector General,
37 Consumer Financial Protection Bureau, Federal Housing Finance Agency or Board of
38 Governors of the Federal Reserve System; the Federal Deposit Insurance Corporation; the
39 Office of the Comptroller of the Currency; or the National Credit Union Administration.

40 **18. Federally regulated appraisal management company.** "Federally regulated
41 appraisal management company" means an appraisal management company that is owned

1 and controlled by an insured depository institution, as defined in 12 United States Code,
2 Section 1813 and regulated by the federal Office of the Comptroller of the Currency;
3 Office of the Inspector General, Board of Governors of the Federal Reserve System; or
4 the Federal Deposit Insurance Corporation.

5 **19. Federally related transaction.** "Federally related transaction" has the same
6 meaning as in section 14002, subsection 9.

7 **20. Federally related transaction regulations.** "Federally related transaction
8 regulations" means regulations established by a federal financial institutions regulatory
9 agency pursuant to Title XI, Sections 1112, 1113 and 1114 of the Financial Institutions
10 Reform, Recovery, and Enforcement Act of 1989, 12 United States Code, Sections 3341
11 to 3343.

12 **21. Person.** "Person" means an individual, firm, partnership, association,
13 corporation, limited liability company, sole proprietorship or any other entity.

14 **22. Principal dwelling.** "Principal dwelling" means a consumer's principal
15 dwelling. "Principal dwelling" includes a dwelling a consumer buys or builds that will
16 become the consumer's principal dwelling within one year or upon the completion of
17 construction. "Principal dwelling" does not include a vacation or other second home.

18 **23. Quality control examination.** "Quality control examination" means an
19 examination of an appraisal report for completeness, including for grammatical,
20 mathematical and typographical errors. "Quality control examination" does not include an
21 appraisal review.

22 **24. Secondary mortgage market participant.** "Secondary mortgage market
23 participant" means a guarantor or insurer of mortgage-backed securities, or an
24 underwriter or issuer of mortgage-backed securities. "Secondary mortgage market
25 participant" includes an individual investor in a mortgage-backed security only if that
26 investor is also a guarantor, issuer, underwriter or issuer of the mortgage-backed security.

27 **25. Uniform Standards of Professional Appraisal Practice.** "Uniform Standards
28 of Professional Appraisal Practice" has the same meaning as in section 14002, subsection
29 15.

30 **§14043. License required**

31 **1. License.** A person shall obtain a license from the board before:

32 A. Directly or indirectly engaging or to attempting to engage in business as an
33 appraisal management company;

34 B. Directly or indirectly performing or attempting to perform appraisal management
35 services; or

36 C. Advertising or holding the person out as engaging in or conducting business as an
37 appraisal management company.

38 **2. Application.** An applicant for licensure as an appraisal management company
39 shall submit to the board an application on forms prescribed by the board and pay a fee
40 established by the board. The board shall review and approve or deny an application for
41 an initial license or an application for renewal of a license.

1 3. Consent to service of process. An applicant for licensure as an appraisal
2 management company shall complete an irrevocable consent to service of process as
3 prescribed by the board.

4 4. Information required. An appraisal management company licensed or applying
5 to be licensed shall provide to the board all information that the board is required to
6 submit to the federal appraisal subcommittee pursuant to regulations or guidance
7 promulgated by the federal appraisal subcommittee.

8 5. Federally regulated appraisal management companies. Notwithstanding
9 subsection 1, a federally regulated appraisal management company is not required to
10 obtain a license from the board. A federally regulated appraisal management company
11 shall:

12 A. Notify the board of its intent to operate in the State; and

13 B. Provide to the board information required to be submitted by the board to the
14 federal appraisal subcommittee pursuant to regulations and policies of the federal
15 appraisal subcommittee regarding the determination of a national registry fee under
16 section 14045, subsection 2.

17 **§14044. License renewal**

18 A license expires on the date set by the Commissioner of Professional and Financial
19 Regulation pursuant to Title 10, section 8003, subsection 4 for the licensing period for
20 which the license was issued. A license may be renewed upon receipt of an application
21 for renewal and payment of the renewal fee as set under section 14045. Licenses may be
22 renewed up to 90 days after the date of expiration upon payment of a late fee, as set under
23 section 14045.

24 The board shall deny a renewal license to any applicant whose license has lapsed for
25 more than 90 days unless the applicant satisfies the provisions governing new applicants
26 under this subchapter.

27 **§14045. Fees**

28 1. Fee established by rule. The Director of the Office of Professional and
29 Occupational Regulation within the Department of Professional and Financial Regulation
30 may establish by rule fees for purposes authorized under this chapter in amounts that are
31 reasonable and necessary for their respective purposes, except that the fee for any one
32 purpose may not exceed \$450 annually. Rules adopted pursuant to this section are
33 routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

34 2. National registry fees. The board may collect from an applicant for licensure
35 under this chapter and from a licensee and remit to the appropriate agency or
36 instrumentality of the Federal Government any additional fees required to provide
37 appraisal management services in connection with federally related transactions.

38 **§14046. Owner requirements**

39 1. License or certification as appraiser. An appraisal management company
40 licensed or applying for or renewing a license under this chapter may not be owned in
41 whole or in part, directly or indirectly, by a person that has had a license or certificate to

1 act as an appraiser refused, denied, cancelled, revoked or surrendered in lieu of a pending
2 revocation in any state for substantive cause. An appraisal management company is not
3 ineligible for a license under this subsection if the person's license or certificate to act as
4 an appraiser was not revoked for substantive cause and the person has subsequently had
5 the license or certificate granted or reinstated.

6 **2. Background.** A person that owns more than 10% of an appraisal management
7 company shall:

8 A. Be of good moral character, as determined by the board; and

9 B. Submit to a background investigation, as required by the board.

10 **§14047. Controlling persons**

11 **1. Designation of controlling person.** An appraisal management company applying
12 to the board for a license or for renewal of a license shall designate one controlling person
13 that will be the main contact for all communication between the board and the appraisal
14 management company.

15 **2. Requirements.** A controlling person must:

16 A. Be actively licensed or certified in at least one state as an appraiser at all times
17 that the person is designated as a controlling person;

18 B. Have never had a license or certificate to act as an appraiser refused, denied,
19 cancelled, revoked or surrendered in lieu of a pending revocation for substantive
20 cause in any state;

21 C. Be of good moral character, as determined by the board; and

22 D. Submit to a background investigation, as required by the board.

23 **§14048. Employee requirements**

24 An appraisal management company that is licensed or applies for a license or renewal
25 of a license may not:

26 **1. Ordering and reviewing of appraisal services.** Knowingly employ any person
27 in a position in which the person has the responsibility to order appraisal services or to
28 review the results of a completed appraisal service who has had a license or certificate to
29 act as an appraiser in this State or any other state refused, denied, cancelled, revoked or
30 surrendered in lieu of a pending revocation unless the license or certificate was
31 subsequently granted or reinstated; and

32 **2. Independent contractor.** Knowingly enter into any independent contractor
33 arrangement for the performance of appraisal services with a person who has had a
34 license or certificate to act as an appraiser in this State or any other state refused, denied,
35 cancelled, revoked or surrendered in lieu of a pending revocation unless the license or
36 certificate was subsequently granted or reinstated.

1 **§14049. Denial of license**

2 In addition to the grounds enumerated in Title 10, section 8003, subsection 5-A,
3 paragraph A, the board may deny a license, refuse to renew a license or impose the
4 disciplinary sanctions authorized by Title 10, section 8003, subsection 5-A for:

5 **1. Lack of trustworthiness.** Lack of trustworthiness and competence to conduct
6 appraisal management services in a manner that safeguards the interests of the public;

7 **2. Misconduct.** The commission of an act or omission in the practice of appraisal
8 management services that constitutes dishonesty, fraud or misrepresentation with the
9 intent to benefit the licensee or another person or with the intent to injure another person;

10 **3. Court judgment.** The entry of a final civil or criminal judgment against the
11 licensee on grounds of fraud, misrepresentation or deceit in the provision of appraisal
12 management services;

13 **4. Unauthorized payment.** Payment of a finder's fee or a referral fee to a person
14 who does not have an appraiser license under chapter 124 in connection with appraisal
15 management services;

16 **5. Misrepresentation of professional qualifications.** Permitting an employee of
17 the licensee or a member of the licensee's appraisal panel to make a false or misleading
18 statement in that portion of a written appraisal report that deals with professional
19 qualifications or in any testimony concerning professional qualifications;

20 **6. Predetermined appraisal result.** Accepting a fee for performing an appraisal
21 service when, in fact, the fee is or was contingent upon the appraiser's reporting a
22 predetermined analysis, opinion or conclusion or is or was contingent upon the analysis,
23 opinion, conclusion or valuation reached or upon the consequences resulting from the
24 appraisal assignment;

25 **7. Lack of diligence.** Failure or refusal, without good cause, to exercise reasonable
26 diligence in providing appraisal management services;

27 **8. Negligence or incompetence.** Negligence or incompetence in performing
28 appraisal management services;

29 **9. Breach of confidentiality.** A violation of the confidential nature of individual,
30 business or governmental records to which a licensee or applicant gained access through
31 employment or engagement as an appraisal management company;

32 **10. Suspension or revocation of license.** Having had a professional or occupational
33 license suspended or revoked for disciplinary reasons or an application rejected for
34 reasons related to untrustworthiness within 3 years prior to the date of application; and

35 **11. Failure to meet professional qualifications; failure to submit complete**
36 **application.** Failure to meet the professional qualifications for licensure as provided in
37 this chapter or failure to submit a complete application within 30 days after being notified
38 of the materials needed to complete the application.

1 **§14049-A. Appraiser panel**

2 For the purpose of determining whether within a 12-month period an appraisal
3 management company oversees an appraiser panel of more than 15 state-certified or
4 state-licensed appraisers in a state or 25 or more certified or licensed appraisers in 2 or
5 more states and therefore qualifies as an appraisal management company pursuant to this
6 chapter, the following provisions apply.

7 **1. Begin date.** An appraiser is considered part of the appraisal management
8 company's appraiser panel as of the earliest date on which the appraisal management
9 company:

10 A. Accepts the appraiser for consideration for future appraisal assignments in
11 covered transactions or for secondary mortgage market participants in connection
12 with covered transactions; or

13 B. Engages the appraiser to perform one or more appraisals on behalf of a creditor
14 for a covered transaction or secondary mortgage market participant in connection
15 with covered transactions.

16 **2. End date.** An appraiser who is considered part of the appraisal management
17 company's appraiser panel pursuant to subsection 1 is considered to remain on the panel
18 until the date on which the appraisal management company:

19 A. Sends written notice to the appraiser removing the appraiser from the appraiser
20 panel;

21 B. Receives written notice from the appraiser asking to be removed from the
22 appraiser panel; or

23 C. Receives written notice of the death or incapacity of the appraiser.

24 **3. Subsequent engagement after removal.** If an appraiser is removed from an
25 appraisal management company's appraiser panel pursuant to subsection 2, paragraph A
26 or B, and the appraisal management company subsequently accepts the appraiser for
27 consideration for future assignments or engages the appraiser at any time during the 12
28 months after the removal of the appraiser, the removal must be considered not to have
29 occurred and the appraiser must be considered to have been part of the appraisal
30 management company's appraiser panel without interruption.

31 **4. Twelve-month period.** The period for purposes of counting appraisers on an
32 appraisal management company's appraiser panel may be the calendar year or a 12-month
33 period established by rule by the board.

34 **§14049-B. Appraiser engagement**

35 Prior to placing an appraisal assignment with an appraiser on an appraiser panel, an
36 appraisal management company shall verify that the appraiser receiving the appraisal
37 assignment is licensed under chapter 124.

1 **§14049-C. Appraisal review**

2 An employee of or independent contractor to an appraisal management company who
3 performs an appraisal review for real property located in this State must be licensed under
4 chapter 124.

5 **§14049-D. Appraisal management company operational and record-keeping**
6 **requirements**

7 **1. Operational requirements. An appraisal management company shall:**

8 A. Engage only certified or licensed appraisers for federally related transactions in
9 conformity with federally related transaction regulations;

10 B. Establish and comply with processes and controls reasonably designed to ensure
11 that the appraisal management company in engaging an appraiser selects an appraiser
12 who is independent of the transaction and who has the requisite education, expertise
13 and experience necessary to competently complete the appraisal assignment for the
14 particular market and property type;

15 C. Direct an appraiser to perform an assignment in accordance with the Uniform
16 Standards of Professional Appraisal Practice; and

17 D. Establish and comply with processes and controls reasonably designed to ensure
18 that the appraisal management company conducts appraisal management services in
19 accordance with the requirements of the Truth in Lending Act, 15 United States Code
20 Section 1639e(a)-(i) and regulations adopted under that section.

21 **2. Record keeping. An appraisal management company licensed or applying to be**
22 **license or to renew a licensed in this State shall:**

23 A. Certify to the board on a form prescribed by the board that the appraisal
24 management company maintains a detailed record of each service request that the
25 appraisal management company receives for appraisals of real property located in this
26 State; and

27 B. Retain for at least 5 years, or at least 2 years after final disposition of any related
28 judicial proceeding, all business records relating to each request for an appraisal
29 service that the appraisal management company has received and the appraiser who
30 performs the appraisal service for the appraisal management company.

31 An appraisal management company licensed under this chapter shall make all records
32 required to be maintained by the appraisal management company available for inspection
33 by the board upon reasonable notice to the appraisal management company.

34 **§14049-E. Compensation of appraisers**

35 An appraisal management company shall compensate appraisers in accordance with
36 the appraisal independence standards established under the federal Truth in Lending Act,
37 15 United States Code, Section 1639e (2016) and its implementing regulations, 12 Code
38 of Federal Regulations, Section 1026.42 (2016). Except in cases of breach of contract or
39 substandard performance of an appraisal service, an appraisal management company shall
40 make payment to an appraiser for the completion of an appraisal service within 45 days

1 of the date on which the appraiser transmits or otherwise provides the results of the
2 completed appraisal service to the appraisal management company.

3 **§14049-F. Statement of fees**

4 When reporting fees to a client, an appraisal management company shall separately
5 indicate the fees paid to an appraiser for the completion of an appraisal service and the
6 fees charged by the appraisal management company to the client for appraisal
7 management services.

8 **§14049-G. Prohibited practices**

9 **1. Prohibitions.** An appraisal management company licensed under this chapter or
10 an employee, director, officer or agent of an appraisal management company licensed
11 under this chapter may not:

12 A. Cause or attempt to cause the results of an appraisal service to be based on any
13 factor other than the independent judgment of the appraiser;

14 B. Seek to influence an appraiser or to otherwise encourage a targeted value in order
15 to facilitate the making or pricing of a consumer credit transaction;

16 C. Modify or otherwise change the results of a completed appraisal service that have
17 been submitted by an appraiser to the appraisal management company by:

18 (1) Altering or removing the signature or seal of the appraiser; or

19 (2) Adding information to, removing information from or changing information
20 contained in the results of the completed appraisal service, including any
21 disclosure authorized by this chapter submitted by an appraiser in or with the
22 appraisal report;

23 D. Condition a request for the performance of an appraisal service or the payment of
24 an appraisal fee, salary or bonus on the opinion, conclusion or valuation to be reached
25 or on a preliminary estimate or opinion requested from an appraiser;

26 E. Request that an appraiser provide an estimated, predetermined or desired
27 valuation in an appraisal report or provide estimated values or comparable sales at
28 any time before the completion of an appraisal by an appraiser;

29 F. Provide to an appraiser an anticipated, estimated, encouraged or desired value for
30 a subject property or a proposed or target amount to be loaned to a borrower, except
31 that a copy of the sales contract for a purchase transaction may be provided;

32 G. Make any part of a fee paid to the appraiser or a fee paid by the appraisal
33 management company contingent on a favorable outcome, including a loan closing or
34 a specific valuation being achieved by the appraiser in the appraisal report;

35 H. Withhold or threaten to withhold timely payment for the completion of an
36 appraisal assignment when the appraisal services that are the subject of the appraisal
37 assignment are provided in accordance with a contract or other agreement between
38 the parties;

- 1 I. Seek to influence an appraiser by withholding or threatening to withhold future
2 business from an appraiser;
- 3 J. Seek to influence an appraiser by demoting or terminating or threatening to
4 demote or terminate an appraiser;
- 5 K. Seek to influence an appraiser by expressly or impliedly promising future
6 business, promotions or increased compensation for an appraiser;
- 7 L. Provide to an appraiser, or any person related to an appraiser, stock or other
8 financial or nonfinancial benefits;
- 9 M. Allow the removal of an appraiser from an appraiser panel without prior written
10 notice to the appraiser;
- 11 N. Obtain, use or pay for a second or subsequent appraisal or order an automated
12 valuation model in connection with a mortgage financing transaction unless:
- 13 (1) There is a reasonable basis to believe that the initial appraisal was flawed or
14 tainted and that basis is clearly and appropriately noted in the loan file;
- 15 (2) The subsequent appraisal or automated valuation model is done under a bona
16 fide prefunding or postfunding appraisal review or quality control process; or
- 17 (3) The subsequent appraisal or automated valuation model is otherwise required
18 or permitted by federal or state law;
- 19 O. Prohibit legal communication between an appraiser and a lender, real estate
20 license holder or any other person from whom the appraiser believes information
21 would be relevant;
- 22 P. Refuse to accept the results of a completed appraisal service by more than one
23 appraiser if an appraiser provides substantial assistance to another appraiser in the
24 preparation of the report, unless the appraisal assignment names an individual
25 appraiser or the statement of work requires an unassisted report; or
- 26 Q. Require an appraiser to:
- 27 (1) Complete an appraisal service if the appraiser determines the appraiser does
28 not have the necessary expertise for the specific geographic area, the appraiser
29 has notified the company of that determination and the appraiser has declined the
30 assignment;
- 31 (2) Prepare an appraisal report under a schedule that the appraiser believes does
32 not afford the appraiser the ability to meet all the relevant legal and professional
33 obligations if the appraiser has notified the company of that belief and has
34 declined the assignment;
- 35 (3) Provide the appraisal management company with the digital signature or seal
36 of the appraiser;
- 37 (4) Modify any aspect of an appraisal report without the agreement of the
38 appraiser that the modification is appropriate;

1 (5) Engage in any act or practice that does not comply with the Uniform
2 Standards of Professional Appraisal Practice;

3 (6) Engage in any act or practice that does not comply with any assignment
4 conditions and certifications required by a client;

5 (7) Engage in any act or practice that impairs or attempts to impair the
6 independence, objectivity or impartiality of an appraiser;

7 (8) Enter into an agreement to not serve on the appraiser panel of another
8 appraisal management company;

9 (9) Indemnify or hold harmless the appraisal management company against
10 liability except liability for errors and omissions by the appraiser; or

11 (10) Pay a fee imposed on the appraisal management company by the federal
12 appraisal subcommittee.

13 **2. Construction. Nothing in subsection 1 may be construed to prohibit:**

14 A. An appraiser from reimbursing an appraisal management company for the actual
15 cost of discretionary services provided to the appraiser;

16 B. An appraiser from voluntarily providing the appraiser's digital signature or seal to
17 an appraisal management company;

18 C. An appraisal management company from asking an appraiser, after an appraisal
19 report is delivered, to:

20 (1) Consider additional appropriate property information, including the
21 consideration of additional comparable properties to make or support an
22 appraisal;

23 (2) Provide further detail, substantiation or explanation of the appraiser's
24 conclusion regarding values; or

25 (3) Correct errors in the appraisal report;

26 D. An appraisal management company from requiring an appraiser to provide
27 advance notice of and an opportunity for the appraisal management company to
28 participate in any legal communications between the appraiser and a lender; or

29 E. An appraisal management company from providing to an appraiser a copy of an
30 executed contract for a purchase transaction.

31 **§14049-H. Mandatory reporting**

32 An appraisal management company that has a reasonable basis to believe an
33 appraiser is failing to comply with the Uniform Standards of Professional Appraisal
34 Practice in a manner that materially affects the conclusion of value contained in an
35 appraisal report, is violating applicable laws or is otherwise engaging in unethical or
36 unprofessional conduct shall refer the matter to the board.

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§14049-I. Appraiser panel management

Except within the first 30 days after an appraiser is added to an appraiser panel, an appraisal management company may not remove an appraiser from its appraiser panel or otherwise refuse to assign requests for real estate appraisal services to an appraiser without notifying the appraiser in writing and identifying the reasons why the appraiser is being removed from the appraiser panel and providing an opportunity for the appraiser to respond to the notification.

§14049-J. Board powers

The board may:

1. Rule making. Adopt rules necessary to implement, administer and enforce the provisions of this chapter. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A;

2. Applications. Review and approve or deny an appraisal management company's application for initial licensure pursuant to Title 10, section 8003;

3. Renewals. Review and renew or refuse to renew an appraisal management company's license pursuant to Title 10, section 8003;

4. Books and records. Examine the books and records of an appraisal management company operating in the State and require the appraisal management company to submit reports, information and documents to the board;

5. Valid certifications. Verify that an appraiser on an appraiser panel holds a valid state certification or license, as applicable;

6. Investigations. Conduct investigations pursuant to Title 10, chapter 901 of appraisal management companies to assess potential violations of this chapter, rules adopted pursuant to this chapter or orders issued pursuant to this chapter;

7. Discipline. Discipline an appraisal management company or suspend, terminate or refuse to renew the license of an appraisal management company that violates this chapter, a rule adopted pursuant to this chapter or an order issued pursuant to this chapter pursuant to Title 10, section 8003, except that the board may impose a civil penalty of up to \$5,000 for each violation of applicable laws, rules or conditions of licensure or for each instance of actionable conduct or activity; and

8. Report to federal appraisal subcommittee. Report to the federal appraisal subcommittee an appraisal management company's violation of this chapter, a rule adopted pursuant to this chapter or an order issued pursuant to this chapter, as well as disciplinary and enforcement actions and other relevant information about an appraisal management company's operations.

Sec. D-2. Maine Revised Statutes headnote reenacted. In the Maine Revised Statutes, Title 32, chapter 124-A, chapter headnote, the words "appraisal management company licensing" are reenacted and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

Sec. D-3. Licenses in effect on March 14, 2018; applications submitted on or before March 14, 2018. A license issued to an appraisal management company by

POPS

SENATE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to H.P. 1327, L.D. 1894

1 the Department of Professional and Financial Regulation, Board of Real Estate
2 Appraisers and in effect on March 14, 2018 remains in effect until the date of expiration
3 specified in the license. The board shall review and approve or deny an application for an
4 appraisal management company license that was submitted to the board with the required
5 fee on or before March 14, 2018 and that was not finally acted upon before March 15,
6 2018.'

7 Amend the amendment by relettering or renumbering any nonconsecutive Part letter
8 or section number to read consecutively.

9 **SUMMARY**

10 This amendment reenacts the Appraisal Management Company Licensing Act, which
11 was repealed by its own terms on March 15, 2018. Public Law 2017, chapter 351
12 attempted to retain the repealed Act but did not take effect until after the Act had been
13 repealed.

14 It provides that a license issued to an appraisal management company by the
15 Department of Professional and Financial Regulation, Board of Real Estate Appraisers
16 and in effect on March 14, 2018 remains in effect until the date of expiration specified in
17 the license. It requires the board to review and approve or deny an application for an
18 appraisal management company license that was submitted to the board with the required
19 fee on or before March 14, 2018 and that was not finally acted upon before March 15,
20 2018.

21 **FISCAL NOTE REQUIRED**

22 (See attached)

23 SPONSORED BY: Lisa Keim M.L.

24 (Senator KEIM)

25 COUNTY: Oxford



128th MAINE LEGISLATURE

LD 1894

LR 2868(07)

An Act To Correct Errors and Inconsistencies in the Laws of Maine

Fiscal Note for Senate Amendment "A" to Committee Amendment "A"

Sponsor: Sen. Keim of Oxford

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds
Minor revenue increase - Other Special Revenue Funds

Fiscal Detail and Notes

Additional costs to the Board of Real Estate Appraisers within the Office of Professional and Occupational Regulation, Department of Professional and Financial Regulation, to continue the administrative functions associated with the licensing requirement for appraisal management companies can be absorbed within existing budgeted resources. The amount of dedicated revenue to be received by the board from initial licensing and renewal fees can not be determined but is expected to be minor.