

By Senator Passidomo

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1 A bill to be entitled
2 An act relating to real estate appraisers; amending s.
3 475.451, F.S.; revising authorized methods of
4 instruction and certain requirements for specified
5 real estate practice courses; amending s. 475.611,
6 F.S.; defining and redefining terms; repealing s.
7 475.6175, F.S., relating to registered trainee
8 appraisers; amending s. 475.621, F.S.; requiring the
9 Department of Business and Professional Regulation to
10 transmit a specified roster to a certain appraisal
11 committee; requiring the department to collect an
12 annual fee from certain appraisal management companies
13 and transmit the fee to such appraisal committee;
14 requiring the Florida Real Estate Appraisal Board to
15 adopt rules; amending s. 475.6235, F.S.; revising
16 which persons are included in a specified requirement
17 for information in an application for appraisal
18 management company registration; deleting a provision
19 that deems a specified person not qualified to engage
20 in appraisal management services except under certain
21 circumstances; revising applicability; amending s.
22 475.6245, F.S.; authorizing the board to deny an
23 application for renewal of an appraisal management
24 company's registration on specified grounds; adding
25 grounds for discipline of appraisal management
26 companies by the board; reenacting s. 475.626(1)(b),
27 F.S., relating to violations and penalties, to
28 incorporate the amendment made by the act to s.
29 475.6245, F.S., in a reference thereto; reenacting s.
30 475.629, F.S., relating to retention of records, to
31 incorporate the amendment made by the act to s.
32 475.611, F.S., in a reference thereto; providing an

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33 effective date.

34
35 Be It Enacted by the Legislature of the State of Florida:

36
37 Section 1. Subsection (6) of section 475.451, Florida
38 Statutes, is amended to read:

39 475.451 Schools teaching real estate practice.—

40 (6) Any course prescribed by the commission as a condition
41 precedent to any person's becoming initially licensed as a sales
42 associate or as a broker may be taught by a ~~in any~~ real estate
43 school in a classroom or by distance learning pursuant to s.
44 475.17(2) and ~~through the use of a video tape of instruction~~ by
45 a currently permitted instructor from any such school ~~or may be~~
46 ~~taught by distance learning pursuant to s. 475.17(2). The~~
47 ~~commission may require that any such video tape course have a~~
48 ~~single session of live instruction by a currently permitted~~
49 ~~instructor from any such school; however, this requirement shall~~
50 ~~not exceed 3 classroom hours.~~ All other prescribed courses,
51 except the continuing education course required by s. 475.182,
52 shall be taught by a currently permitted school instructor
53 personally in attendance at such course or by distance learning
54 pursuant to s. 475.17. The continuing education course required
55 by s. 475.182 may be taught by distance learning pursuant to s.
56 475.17 or by an equivalent correspondence course; however, any
57 such correspondence course shall be required to have a final
58 examination, prepared and administered by the school or course
59 provider issuing the correspondence course. The continuing
60 education requirements provided in this chapter do not apply to
61 an attorney who is otherwise qualified under this chapter and

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62 who is a member in good standing of The Florida Bar.

63 Section 2. Subsections (1) and (2) of section 475.611,
64 Florida Statutes, are amended to read:

65 475.611 Definitions.—

66 (1) As used in this part, the term:

67 (a) "Appraisal" or "appraisal services" means the services
68 provided by certified or licensed appraisers or registered
69 trainee appraisers, and includes:

70 1. "Appraisal assignment" denotes an engagement for which a
71 person is employed or retained to act, or could be perceived by
72 third parties or the public as acting, as an agent or a
73 disinterested third party in rendering an unbiased analysis,
74 opinion, review, or conclusion relating to the nature, quality,
75 value, or utility of specified interests in, or aspects of,
76 identified real property.

77 2. "Analysis assignment" denotes appraisal services that
78 relate to the employer's or client's individual needs or
79 investment objectives and includes specialized marketing,
80 financing, and feasibility studies as well as analyses,
81 opinions, and conclusions given in connection with activities
82 such as real estate brokerage, mortgage banking, real estate
83 counseling, or real estate consulting.

84 3. "Appraisal review assignment" denotes an engagement for
85 which an appraiser is employed or retained to develop and
86 communicate an opinion about the quality of another appraiser's
87 appraisal, appraisal report, or work. An appraisal review may or
88 may not contain the reviewing appraiser's opinion of value.

89 (b) "Appraisal Foundation" or "foundation" means The
90 Appraisal Foundation established on November 20, 1987, as a not-

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91 for-profit corporation under the laws of Illinois.

92 (c) "Appraisal management company" means a person who
93 performs appraisal management services regardless of the use of
94 the term "appraisal management company," "appraiser
95 cooperative," "appraiser portal," "mortgage technology company,"
96 or other term.

97 (d) "Appraisal management services" means the coordination
98 or management of appraisal services for compensation by:

99 1. Employing, contracting with, or otherwise retaining one
100 or more licensed or certified appraisers to perform appraisal
101 services for a client; or

102 2. Acting as a broker or intermediary between a client and
103 one or more licensed or certified appraisers to facilitate the
104 client's employing, contracting with, or otherwise retaining the
105 appraisers.

106 (e) "Appraisal report" means any communication, written or
107 oral, of an appraisal, appraisal review, appraisal consulting
108 service, analysis, opinion, or conclusion relating to the
109 nature, quality, value, or utility of a specified interest in,
110 or aspect of, identified real property, and includes any report
111 communicating an appraisal analysis, opinion, or conclusion of
112 value, regardless of title. However, in order to be recognized
113 in a federally related transaction, an appraisal report must be
114 written.

115 (f) "Appraisal review" means the act or process of
116 developing and communicating an opinion about the quality of
117 another appraiser's appraisal, appraisal report, or work.

118 (g) "Appraisal subcommittee" means the designees of the
119 heads of the federal financial institutions regulatory agencies

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120 established by the Federal Financial Institutions Examination
121 Council Act of 1978 (12 U.S.C. ss. 3301 et seq.), as amended.

122 (h) "Appraiser" means any person who is a registered
123 trainee real estate appraiser, a licensed real estate appraiser,
124 or a certified real estate appraiser. An appraiser renders a
125 professional service and is a professional within the meaning of
126 s. 95.11(4) (a).

127 (i) "Appraiser panel" means a network, list, or roster of
128 licensed or certified appraisers approved by an appraisal
129 management company to perform appraisals as independent
130 contractors for the appraisal management company. The term
131 includes both appraisers accepted by the appraisal management
132 company for consideration for future appraisal assignments in
133 covered transactions or for secondary market participants in
134 connection with covered transactions, and appraisers engaged by
135 the appraisal management company to perform one or more
136 appraisals in covered transactions or appraisals for secondary
137 mortgage market participants in connection with covered
138 transactions. An appraiser is an independent contractor for
139 purposes of this paragraph if the appraiser is treated as an
140 independent contractor by the appraisal management company for
141 purposes of federal income taxation ~~group of appraisers selected~~
142 ~~by an appraisal management company to perform appraisal services~~
143 ~~for clients on behalf of the company.~~

144 (j) "Board" means the Florida Real Estate Appraisal Board
145 established under this section.

146 (k) "Certified general appraiser" means a person who is
147 certified by the department as qualified to issue appraisal
148 reports for any type of real property.

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149 (l) "Certified residential appraiser" means a person who is
150 certified by the department as qualified to issue appraisal
151 reports for residential real property of one to four residential
152 units, without regard to transaction value or complexity, or
153 real property as may be authorized by federal regulation.

154 (m) "Client" means a person who contracts with an appraiser
155 or appraisal management company for the performance of appraisal
156 services.

157 (n) "Covered transaction" means a consumer credit
158 transaction secured by the consumer's principal dwelling.

159 (o) ~~(n)~~ "Department" means the Department of Business and
160 Professional Regulation.

161 (p) ~~(o)~~ "Direct supervision" means the degree of supervision
162 required of a supervisory appraiser overseeing the work of a
163 registered trainee appraiser by which the supervisory appraiser
164 has control over and detailed professional knowledge of the work
165 being done. Direct supervision is achieved when a registered
166 trainee appraiser has regular direction, guidance, and support
167 from a supervisory appraiser who has the competencies as
168 determined by rule of the board.

169 (q) "Federally regulated appraisal management company"
170 means an appraisal management company that is owned and
171 controlled by an insured depository institution, as defined in
172 12 U.S.C. s. 1813, and that is regulated by the Office of the
173 Comptroller of the Currency, the Board of Governors of the
174 Federal Reserve System, or the Federal Deposit Insurance
175 Corporation.

176 (r) ~~(p)~~ "Federally related transaction" means any real
177 estate-related financial transaction which a federal financial

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178 institutions regulatory agency or the Resolution Trust
179 Corporation engages in, contracts for, or regulates, and which
180 requires the services of a state-licensed or state-certified
181 appraiser.

182 (s)~~(e)~~ "Licensed appraiser" means a person who is licensed
183 by the department as qualified to issue appraisal reports for
184 residential real property of one to four residential units or on
185 such real estate or real property as may be authorized by
186 federal regulation. After July 1, 2003, the department shall not
187 issue licenses for the category of licensed appraiser.

188 (t) "Order file" means the documentation necessary to
189 support the performance of appraisal management company
190 services.

191 (u)~~(r)~~ "Registered trainee appraiser" means a person who is
192 registered with the department as qualified to perform appraisal
193 services only under the direct supervision of a certified
194 appraiser. A registered trainee appraiser may accept appraisal
195 assignments only from her or his primary or secondary
196 supervisory appraiser.

197 (v) "Secondary mortgage market participant" means a
198 guarantor or insurer of mortgage-backed securities or an
199 underwriter or issuer of mortgage-backed securities. The term
200 includes an individual investor in a mortgage-backed security
201 only if the investor also serves in the capacity of a guarantor,
202 insurer underwriter, or issuer for the mortgage-backed security.

203 (w)~~(s)~~ "Signature" means personalized evidence indicating
204 authentication of work performed by an appraiser and the
205 acceptance of responsibility for the content of an appraisal,
206 appraisal review, or appraisal consulting service or conclusions

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207 in an appraisal report.

208 (x)~~(t)~~ "Subsidiary" means an organization that is owned and
209 controlled by a financial institution that is regulated by a
210 federal financial institution regulatory agency.

211 (y)~~(u)~~ "Supervisory appraiser" means a certified
212 residential appraiser or a certified general appraiser
213 responsible for the direct supervision of one or more registered
214 trainee appraisers and fully responsible for appraisals and
215 appraisal reports prepared by those registered trainee
216 appraisers. The board~~r~~ by rule~~r~~ shall determine the
217 responsibilities of a supervisory appraiser, the geographic
218 proximity required, the minimum qualifications and standards
219 required of a certified appraiser before she or he may act in
220 the capacity of a supervisory appraiser, and the maximum number
221 of registered trainee appraisers to be supervised by an
222 individual supervisory appraiser.

223 (z)~~(v)~~ "Training" means the process of providing for and
224 making available to a registered trainee appraiser, under direct
225 supervision, a planned, prepared, and coordinated program, or
226 routine of instruction and education, in appraisal professional
227 and technical appraisal skills as determined by rule of the
228 board.

229 (aa)~~(w)~~ "Uniform Standards of Professional Appraisal
230 Practice" means the most recent standards approved and adopted
231 by the Appraisal Standards Board of The Appraisal Foundation.

232 (bb)~~(x)~~ "Valuation services" means services pertaining to
233 aspects of property value and includes such services performed
234 by certified appraisers, registered trainee appraisers, and
235 others.

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236 ~~(cc)(y)~~ "Work file" means the documentation necessary to
237 support an appraiser's analysis, opinions, and conclusions.

238 (2) Wherever the word "operate" or "operating" appears in
239 this part with respect to a registered trainee appraiser,
240 registered appraisal management company, licensed appraiser, or
241 certified appraiser; in any order, rule, or regulation of the
242 board; in any pleading, indictment, or information under this
243 part; in any court action or proceeding; or in any order or
244 judgment of a court, it shall be deemed to mean the commission
245 of one or more acts described in this part as constituting or
246 defining a registered trainee appraiser, licensed appraiser, or
247 certified appraiser, not including, however, any of the
248 exceptions stated therein. A single act is sufficient to bring a
249 person within the meaning of this subsection, and each act, if
250 prohibited herein, constitutes a separate offense.

251 Section 3. Section 475.6175, Florida Statutes, is repealed.

252 Section 4. Section 475.621, Florida Statutes, is amended to
253 read:

254 475.621 Registry of licensed and certified appraisers;
255 registry of appraisal management companies.-

256 (1) The department shall transmit to the appraisal
257 subcommittee, no less than annually, a roster listing
258 individuals who hold a valid state license or certification as
259 an appraiser. The department shall transmit to the appraisal
260 subcommittee, no less than annually, a roster listing persons or
261 companies that hold a valid state registration as an appraisal
262 management company.

263 (2) The department shall collect from such individuals who
264 perform or seek to perform appraisals in federally related

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265 transactions, an annual fee as set by, and transmitted to, the
266 appraisal subcommittee. The department shall collect from such
267 appraisal management companies that perform or seek to perform
268 appraisal management company services in covered transactions an
269 annual fee set by rule of the board and transmitted to the
270 appraisal subcommittee.

271 (3) Notwithstanding the prohibition against requiring
272 registration of a federally regulated appraisal management
273 company as provided in s. 475.6235(8)(b), the board shall
274 establish a procedure to collect from a federally regulated
275 appraisal management company an annual fee as set by rule of the
276 board and transmitted to the appraisal subcommittee.

277 Section 5. Paragraph (f) of subsection (2), subsection (5),
278 and paragraph (b) of subsection (8) of section 475.6235, Florida
279 Statutes, are amended to read:

280 475.6235 Registration of appraisal management companies
281 required; exemptions.—

282 (2) An application for registration must be submitted to
283 the department in the format prescribed by the department and
284 must include, at a minimum, the following:

285 (f) The full name, street address, telephone number,
286 corporate title, and social security number or federal employer
287 identification number of any person who possesses the authority,
288 directly or indirectly, to direct the management or policies of
289 the appraisal management company, whether through ownership, by
290 contract, or otherwise, including, but not limited to:

291 1. Each officer and director if the appraisal management
292 company is a corporation.

293 2. Each general partner if the appraisal management company

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294 is a partnership.

295 3. Each manager or managing member if the appraisal
296 management company is a limited liability company.

297 4. The owner if the appraisal management company is a sole
298 proprietorship.

299 5. Each other person who, directly or indirectly, owns or
300 controls any ~~10 percent or more of an ownership~~ interest in the
301 appraisal management company.

302 (5) Each person listed in paragraph (2) (f) must be
303 competent and qualified to engage in appraisal management
304 services with safety to the general public and those with whom
305 the person may undertake a relationship of trust and confidence.
306 ~~If any person listed in paragraph (2) (f) has been denied~~
307 ~~registration, licensure, or certification as an appraiser or has~~
308 ~~been disbarred, or if the person's registration, license, or~~
309 ~~certificate to practice or conduct any regulated profession,~~
310 ~~business, or vocation has been revoked or suspended by this or~~
311 ~~any other state, any nation, any possession or district of the~~
312 ~~United States, or any court or lawful agency thereof because of~~
313 ~~any conduct or practices that would have warranted a like result~~
314 ~~under this part, or if the person has been guilty of conduct or~~
315 ~~practices in this state or elsewhere that would have been~~
316 ~~grounds for disciplining her or his registration, license, or~~
317 ~~certification under this part had the person then been a~~
318 ~~registered trainee appraiser or a licensed or certified~~
319 ~~appraiser, the person shall be deemed not to be qualified~~
320 ~~unless, because of lapse of time and subsequent good conduct and~~
321 ~~reputation, or other reason deemed sufficient, it appears to the~~
322 ~~board that the interest of the public is not likely to be~~

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323 ~~endangered by the granting of registration.~~

324 (8) This section does not apply to:

325 (b) An appraisal management company that is a federally
326 regulated appraisal management company ~~subsidiary owned and~~
327 ~~controlled by a financial institution, as defined in s. 655.005,~~
328 ~~that is regulated by a federal financial institution regulatory~~
329 ~~agency.~~

330 Section 6. Subsection (1) of section 475.6245, Florida
331 Statutes, is amended to read:

332 475.6245 Discipline of appraisal management companies.—

333 (1) The board may deny an application for registration or
334 for renewal registration of an appraisal management company; may
335 investigate the actions of any appraisal management company
336 registered under this part; may reprimand or impose an
337 administrative fine not to exceed \$5,000 for each count or
338 separate offense against any such appraisal management company;
339 and may revoke or suspend, for a period not to exceed 10 years,
340 the registration of any such appraisal management company, or
341 place any such appraisal management company on probation, if the
342 board finds that the appraisal management company or any person
343 listed in s. 475.6235(2) (f):

344 (a) Has violated any provision of this part or s.
345 455.227(1); however, any appraisal management company registered
346 under this part is exempt from s. 455.227(1) (i).

347 (b) Has been guilty of fraud, misrepresentation,
348 concealment, false promises, false pretenses, dishonest conduct,
349 culpable negligence, or breach of trust in any business
350 transaction in this state or any other state, nation, or
351 territory; has violated a duty imposed upon her or him by law or

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352 by the terms of a contract, whether written, oral, express, or
353 implied, in an appraisal assignment; has aided, assisted, or
354 conspired with any other person engaged in any such misconduct
355 and in furtherance thereof; or has formed an intent, design, or
356 scheme to engage in such misconduct and committed an overt act
357 in furtherance of such intent, design, or scheme. It is
358 immaterial to the guilt of the appraisal management company that
359 the victim or intended victim of the misconduct has sustained no
360 damage or loss; that the damage or loss has been settled and
361 paid after discovery of the misconduct; or that such victim or
362 intended victim was a customer or a person in confidential
363 relation with the appraisal management company or was an
364 identified member of the general public.

365 (c) Has advertised services in a manner that is fraudulent,
366 false, deceptive, or misleading in form or content.

367 (d) Has violated any provision of this part or any lawful
368 order or rule issued under this part or chapter 455.

369 (e) Has been convicted or found guilty of, or entered a
370 plea of nolo contendere to, regardless of adjudication, a crime
371 in any jurisdiction that directly relates to the activities of
372 an appraisal management company or that involves moral turpitude
373 or fraudulent or dishonest conduct. The record of a conviction
374 certified or authenticated in such form as admissible in
375 evidence under the laws of the state shall be admissible as
376 prima facie evidence of such guilt.

377 (f) Has had a registration, license, or certification as an
378 appraiser or a registration as an appraisal management company
379 revoked, suspended, or otherwise acted against; has been
380 disbarred; has had her or his registration, license, or

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381 certificate to practice or conduct any regulated profession,
382 business, or vocation revoked or suspended by this or any other
383 state, any nation, or any possession or district of the United
384 States; or has had an application for such registration,
385 licensure, or certification to practice or conduct any regulated
386 profession, business, or vocation denied by this or any other
387 state, any nation, or any possession or district of the United
388 States.

389 (g) Has become temporarily incapacitated from acting as an
390 appraisal management company with safety to those in a fiduciary
391 relationship with her or him because of drunkenness, use of
392 drugs, or temporary mental derangement; however, suspension of a
393 registration in such cases shall only be for the period of such
394 incapacity.

395 (h) Is confined in any county jail, postadjudication; is
396 confined in any state or federal prison or mental institution;
397 or, through mental disease or deterioration, can no longer
398 safely be entrusted to deal with the public or in a confidential
399 capacity.

400 (i) Has failed to inform the board in writing within 30
401 days after pleading guilty or nolo contendere to, or being
402 convicted or found guilty of, any felony.

403 (j) Has been found guilty, for a second time, of any
404 misconduct that warrants disciplinary action, or has been found
405 guilty of a course of conduct or practice that shows that she or
406 he is incompetent, negligent, dishonest, or untruthful to an
407 extent that those with whom she or he may sustain a confidential
408 relationship may not safely do so.

409 (k) Has made or filed a report or record, either written or

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410 oral, that the appraisal management company knows to be false;
411 has willfully failed to file a report or record required by
412 state or federal law; has willfully impeded or obstructed such
413 filing; or has induced another person to impede or obstruct such
414 filing. However, such reports or records shall include only
415 those that are signed or presented in the capacity of an
416 appraisal management company.

417 (l) Has obtained or attempted to obtain a registration,
418 license, or certification by means of knowingly making a false
419 statement, submitting false information, refusing to provide
420 complete information in response to an application question, or
421 engaging in fraud, misrepresentation, or concealment.

422 (m) Has paid money or other valuable consideration, except
423 as required by this section, to any member or employee of the
424 board to obtain a registration, license, or certification under
425 this section.

426 (n) Has instructed an appraiser to violate any standard of
427 professional practice established by rule of the board,
428 including standards for the development or communication of a
429 real estate appraisal or other provision of the Uniform
430 Standards of Professional Appraisal Practice.

431 (o) Has engaged in the development of an appraisal or the
432 preparation of an appraisal report, unless the appraisal
433 management company is owned or controlled by certified
434 appraisers.

435 (p) Has failed to communicate an appraisal without good
436 cause.

437 (q) Has accepted an appraisal assignment if the employment
438 itself is contingent upon the appraisal management company

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439 reporting a predetermined result, analysis, or opinion or if the
440 fee to be paid for the performance of the appraisal assignment
441 is contingent upon the opinion, conclusion, or valuation reached
442 upon the consequences resulting from the appraisal assignment.

443 (r) Has failed to timely notify the department of any
444 change in principal business location as an appraisal management
445 company.

446 (s) Has influenced or attempted to influence the
447 development, reporting, or review of an appraisal through
448 coercion, extortion, collusion, compensation, inducement,
449 intimidation, bribery, or any other means, including, but not
450 limited to:

451 1. Withholding or threatening to withhold timely payment
452 for an appraisal, unless such nonpayment is based upon specific
453 quality or other service issues that constitute noncompliance
454 with the appraisal engagement agreement.

455 2. Withholding or threatening to withhold future business
456 from an appraiser.

457 3. Promising future business, promotions, or increased
458 compensation for an appraiser, whether the promise is express or
459 implied.

460 4. Conditioning a request for appraisal services or the
461 payment of an appraisal fee, salary, or bonus upon the opinion,
462 conclusion, or valuation to be reached or upon a preliminary
463 estimate or opinion requested from an appraiser.

464 5. Requesting that an appraiser provide an estimated,
465 predetermined, or desired valuation in an appraisal report or
466 provide estimated values or comparable sales at any time before
467 the appraiser's completion of appraisal services.

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468 6. Providing to an appraiser an anticipated, estimated,
469 encouraged, or desired value for a subject property or a
470 proposed or target amount to be loaned to the borrower, except
471 that a copy of the sales contract for purchase transactions may
472 be provided.

473 7. Providing to an appraiser, or any person related to the
474 appraiser, stock or other financial or nonfinancial benefits.

475 8. Allowing the removal of an appraiser from an appraiser
476 panel without prior written notice to the appraiser.

477 9. Obtaining, using, or paying for a second or subsequent
478 appraisal or ordering an automated valuation model in connection
479 with a mortgage financing transaction unless there is a
480 reasonable basis to believe that the initial appraisal was
481 flawed or tainted and such basis is clearly and appropriately
482 noted in the loan file, or unless such appraisal or automated
483 valuation model is issued pursuant to a bona fide prefunding or
484 postfunding appraisal review or quality control process.

485 10. Any other act or practice that impairs or attempts to
486 impair an appraiser's independence, objectivity, or
487 impartiality.

488 (t) Has altered, modified, or otherwise changed a completed
489 appraisal report submitted by an appraiser to an appraisal
490 management company.

491 (u) Has employed, contracted with, or otherwise retained an
492 appraiser whose registration, license, or certification is
493 suspended or revoked to perform appraisal services or appraisal
494 management services.

495 (v) Has required or attempted to require an appraiser to
496 sign any indemnification agreement that would require the

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497 appraiser to hold harmless the appraisal management company or
498 its owners, agents, employees, or independent contractors from
499 any liability, damage, loss, or claim arising from the services
500 performed by the appraisal management company or its owners,
501 agents, employees, or independent contractors and not the
502 services performed by the appraiser.

503 (w) Has failed to compensate an appraiser in accordance
504 with s. 129E of the federal Truth in Lending Act, 15 U.S.C. s.
505 1639e.

506 Section 7. For the purpose of incorporating the amendment
507 made by this act to section 475.6245, Florida Statutes, in a
508 reference thereto, paragraph (b) of subsection (1) of section
509 475.626, Florida Statutes, is reenacted to read:

510 475.626 Violations and penalties.—

511 (1) A person may not:

512 (b) If an appraisal management company, commit any conduct
513 or practice set forth in s. 475.6245.

514 Section 8. For the purpose of incorporating the amendment
515 made by this act to section 475.611, Florida Statutes, in a
516 reference thereto, section 475.629, Florida Statutes, is
517 reenacted to read:

518 475.629 Retention of records.—An appraiser registered,
519 licensed, or certified under this part shall prepare and retain
520 a work file for each appraisal, appraisal review, or appraisal
521 consulting assignment. An appraisal management company
522 registered under this part shall prepare and retain an order
523 file for each appraisal, appraisal review, or appraisal
524 consulting assignment. The work file and the order file shall be
525 retained for 5 years or the period specified in the Uniform

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526 Standards of Professional Appraisal Practice, whichever is
527 greater. The work file must contain original or true copies of
528 any contracts engaging the appraiser's or appraisal management
529 company's services, appraisal reports, and supporting data
530 assembled and formulated by the appraiser or company in
531 preparing appraisal reports or engaging in appraisal management
532 services and all other data, information, and documentation
533 required by the standards for the development or communication
534 of a real estate appraisal as approved and adopted by the
535 Appraisal Standards Board of The Appraisal Foundation, as
536 established by rule of the board. The order file must contain
537 original or true copies of any contracts engaging the
538 appraiser's services, the appraisal reports, any engagement
539 materials or instructions from the client, and all other
540 documents required by the standards for the development or
541 communication of a real estate appraisal as approved and adopted
542 by the Appraisal Standards Board of The Appraisal Foundation, as
543 established by rule of the board. Notwithstanding the foregoing,
544 while general contracts and materials pertaining to impaneling
545 of an appraiser by an appraisal management company shall be
546 retained under this section, such contracts and materials are
547 not required to be maintained within the order file. Except as
548 otherwise specified in the Uniform Standards of Professional
549 Appraisal Practice, the period for retention of the records
550 applicable to each engagement of the services of the appraiser
551 or appraisal management company runs from the date of the
552 submission of the appraisal report to the client. Appraisal
553 management companies shall also retain the company accounts,
554 correspondence, memoranda, papers, books, and other records in

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555 accordance with administrative rules adopted by the board. These
556 records must be made available by the appraiser or appraisal
557 management company for inspection and copying by the department
558 upon reasonable notice to the appraiser or company. If an
559 appraisal has been the subject of or has served as evidence for
560 litigation, reports and records must be retained for at least 2
561 years after the trial or the period specified in the Uniform
562 Standards of Professional Appraisal Practice, whichever is
563 greater.

564 Section 9. This act shall take effect October 1, 2017.