

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 an appraisal
11 subcommittee; requiring the department and the Florida
12 Real Estate Appraisal Board to collect an annual fee
13 from certain appraisal management companies and
14 transmit such fee to the appraisal subcommittee;
15 requiring the board to adopt certain rules; amending
16 s. 475.6235, F.S.; deleting an exception to a
17 provision that deems a specified person unqualified
18 for registration as an appraisal management company;
19 revising applicability; amending s. 475.6245, F.S.;
20 authorizing the board to deny an appraisal management
21 company's registration renewal application; reenacting
22 s. 475.626(1)(b), F.S., relating to violations and
23 penalties, to incorporate the amendment made by the
24 act to s. 475.6245, F.S., in a reference thereto;
25 reenacting s. 475.629, F.S., relating to retention of

26 records, to incorporate the amendment made by the act
 27 to s. 475.611, F.S., in a reference thereto; providing
 28 an effective date.

30 Be It Enacted by the Legislature of the State of Florida:

32 Section 1. Subsection (6) of section 475.451, Florida
 33 Statutes, is amended to read:

34 475.451 Schools teaching real estate practice.—

35 (6) Any course prescribed by the commission as a condition
 36 precedent to a person ~~any person's~~ becoming initially licensed
 37 as a sales associate or broker may be taught by a ~~in any~~ real
 38 estate school in a classroom or via distance learning pursuant
 39 to s. 475.17(2) through the use of a video tape of instruction
 40 ~~by a currently permitted instructor from any such school or may~~
 41 ~~be taught by distance learning pursuant to s. 475.17(2). The~~
 42 ~~commission may require that any such video tape course have a~~
 43 ~~single session of live instruction by a currently permitted~~
 44 ~~instructor from any such school; however, this requirement shall~~
 45 ~~not exceed 3 classroom hours.~~ All other prescribed courses,
 46 except the continuing education course required by s. 475.182,
 47 shall be taught by a currently permitted school instructor
 48 personally in attendance at such course or by distance learning
 49 pursuant to s. 475.17. The continuing education course required
 50 by s. 475.182 may be taught by distance learning pursuant to s.

51 475.17 or by an equivalent correspondence course; however, any
52 such correspondence course shall be required to have a final
53 examination, prepared and administered by the school or course
54 provider issuing the correspondence course. The continuing
55 education requirements provided in this chapter do not apply to
56 an attorney who is otherwise qualified under this chapter and
57 who is a member in good standing of The Florida Bar.

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

60 475.611 Definitions.—

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

62 (a) "Appraisal" or "appraisal services" means the services
63 provided by certified or licensed appraisers or registered
64 trainee appraisers, and includes:

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

72 2. "Analysis assignment" denotes appraisal services that
73 relate to the employer's or client's individual needs or
74 investment objectives and includes specialized marketing,
75 financing, and feasibility studies as well as analyses,

76 | opinions, and conclusions given in connection with activities
77 | such as real estate brokerage, mortgage banking, real estate
78 | counseling, or real estate consulting.

79 | 3. "Appraisal review assignment" denotes an engagement for
80 | which an appraiser is employed or retained to develop and
81 | communicate an opinion about the quality of another appraiser's
82 | appraisal, appraisal report, or work. An appraisal review may or
83 | may not contain the reviewing appraiser's opinion of value.

84 | (b) "Appraisal Foundation" or "foundation" means The
85 | Appraisal Foundation established on November 20, 1987, as a not-
86 | for-profit corporation under the laws of Illinois.

87 | (c) "Appraisal management company" means a person who
88 | performs appraisal management services regardless of the use of
89 | the term "appraisal management company," "appraiser
90 | cooperative," "appraiser portal," "mortgage technology company,"
91 | or other term.

92 | (d) "Appraisal management services" means the coordination
93 | or management of appraisal services for compensation by:

94 | 1. Employing, contracting with, or otherwise retaining one
95 | or more licensed or certified appraisers to perform appraisal
96 | services for a client; or

97 | 2. Acting as a broker or intermediary between a client and
98 | one or more licensed or certified appraisers to facilitate the
99 | client's employing, contracting with, or otherwise retaining the
100 | appraisers.

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

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

113 (g) "Appraisal subcommittee" means the designees of the
114 heads of the federal financial institutions regulatory agencies
115 established by the Federal Financial Institutions Examination
116 Council Act of 1978 (12 U.S.C. ss. 3301 et seq.), as amended.

117 (h) "Appraiser" means any person who is a registered
118 trainee real estate appraiser, a licensed real estate appraiser,
119 or a certified real estate appraiser. An appraiser renders a
120 professional service and is a professional within the meaning of
121 s. 95.11(4)(a).

122 (i) "Appraiser panel" means a network, list, or roster of
123 licensed or certified appraisers approved by an appraisal
124 management company to perform appraisals as independent
125 contractors for the appraisal management company. An appraiser

126 is an independent contractor for purposes of this paragraph if
127 the appraiser is treated as an independent contractor by the
128 appraisal management company for federal income tax purposes.

129 The term "appraiser panel" includes:

130 1. Appraisers accepted by the appraisal management company
131 for consideration for future appraisal assignments in covered
132 transactions or secondary mortgage market participants in
133 connection with covered transactions.

134 2. Appraisers employed by, contracted with, or otherwise
135 retained by the appraisal management company to perform one or
136 more appraisals in covered transactions or for secondary
137 mortgage market participants in connection with covered
138 transactions ~~group of appraisers selected by an appraisal~~
139 ~~management company to perform appraisal services for clients on~~
140 ~~behalf of the company.~~

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

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

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

151 (m) "Client" means a person who contracts with an
152 appraiser or appraisal management company for the performance of
153 appraisal services.

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

156 (o) ~~(n)~~ "Department" means the Department of Business and
157 Professional Regulation.

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

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

172 (r) ~~(p)~~ "Federally related transaction" means any real
173 estate-related financial transaction which a federal financial
174 institutions regulatory agency or the Resolution Trust
175 Corporation engages in, contracts for, or regulates, and which

176 requires the services of a state-licensed or state-certified
177 appraiser.

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

184 (t) "Order file" means the documentation necessary to
185 support the performance of appraisal management services.

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

192 (v) "Secondary mortgage market participant" means a
193 guarantor, insurer, underwriter, or issuer of mortgage-backed
194 securities. The term includes an individual investor in a
195 mortgage-backed security only if such investor also serves in
196 the capacity of a guarantor, an insurer, an underwriter, or an
197 issuer for the mortgage-backed security.

198 (w)~~(s)~~ "Signature" means personalized evidence indicating
199 authentication of work performed by an appraiser and the
200 acceptance of responsibility for the content of an appraisal,

201 appraisal review, or appraisal consulting service or conclusions
202 in an appraisal report.

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

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

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

224 (aa)~~(w)~~ "Uniform Standards of Professional Appraisal
225 Practice" means the most recent standards approved and adopted

226 | by the Appraisal Standards Board of The Appraisal Foundation.

227 | ~~(bb)(*)~~ "Valuation services" means services pertaining to
 228 | aspects of property value and includes such services performed
 229 | by certified appraisers, registered trainee appraisers, and
 230 | others.

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

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

247 |
 248 | Section 3. Section 475.6175, Florida Statutes, is
 249 | repealed.

250 | Section 4. Section 475.621, Florida Statutes, is amended

251 to read:

252 475.621 Registry of licensed and certified appraisers;
 253 registry of appraisal management companies.-

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

261 (2) The department shall collect from such individuals who
 262 perform or seek to perform appraisals in federally related
 263 transactions, ~~an annual fee as set by rule of,~~ and transmitted
 264 to, the appraisal subcommittee. The department shall collect
 265 from such appraisal management companies that perform or seek to
 266 perform appraisal management services in covered transactions an
 267 annual fee set by rule of the board and transmitted to the
 268 appraisal subcommittee.

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

275 Section 5. Subsection (5) and paragraph (b) of subsection

276 (8) of section 475.6235, Florida Statutes, are amended to read:

277 475.6235 Registration of appraisal management companies
278 required; exemptions.—

279 (5) Each person listed in paragraph (2) (f) must be
280 competent and qualified to engage in appraisal management
281 services with safety to the general public and those with whom
282 the person may undertake a relationship of trust and confidence.
283 If any person listed in paragraph (2) (f) has been denied
284 registration, licensure, or certification as an appraiser or has
285 been disbarred, or if the person's registration, license, or
286 certificate to practice or conduct any regulated profession,
287 business, or vocation has been revoked or suspended by this or
288 any other state, any nation, any possession or district of the
289 United States, or any court or lawful agency thereof because of
290 any conduct or practices that would have warranted a like result
291 under this part, or if the person has been guilty of conduct or
292 practices in this state or elsewhere that would have been
293 grounds for disciplining her or his registration, license, or
294 certification under this part had the person then been a
295 registered trainee appraiser or a licensed or certified
296 appraiser, the person shall be deemed not to be qualified to be
297 registered ~~unless, because of lapse of time and subsequent good~~
298 ~~conduct and reputation, or other reason deemed sufficient, it~~
299 ~~appears to the board that the interest of the public is not~~
300 ~~likely to be endangered by the granting of registration.~~

301 (8) This section does not apply to:
 302 (b) A federally regulated ~~An~~ appraisal management company
 303 ~~that is a subsidiary owned and controlled by a financial~~
 304 ~~institution, as defined in s. 655.005, that is regulated by a~~
 305 ~~federal financial institution regulatory agency.~~

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

308 475.6245 Discipline of appraisal management companies.—

309 (1) The board may deny an application for registration or
 310 renewal registration of an appraisal management company; may
 311 investigate the actions of any appraisal management company
 312 registered under this part; may reprimand or impose an
 313 administrative fine not to exceed \$5,000 for each count or
 314 separate offense against any such appraisal management company;
 315 and may revoke or suspend, for a period not to exceed 10 years,
 316 the registration of any such appraisal management company, or
 317 place any such appraisal management company on probation, if the
 318 board finds that the appraisal management company or any person
 319 listed in s. 475.6235(2)(f):

320 (a) Has violated any provision of this part or s.
 321 455.227(1); however, any appraisal management company registered
 322 under this part is exempt from s. 455.227(1)(i).

323 (b) Has been guilty of fraud, misrepresentation,
 324 concealment, false promises, false pretenses, dishonest conduct,
 325 culpable negligence, or breach of trust in any business

326 transaction in this state or any other state, nation, or
327 territory; has violated a duty imposed upon her or him by law or
328 by the terms of a contract, whether written, oral, express, or
329 implied, in an appraisal assignment; has aided, assisted, or
330 conspired with any other person engaged in any such misconduct
331 and in furtherance thereof; or has formed an intent, design, or
332 scheme to engage in such misconduct and committed an overt act
333 in furtherance of such intent, design, or scheme. It is
334 immaterial to the guilt of the appraisal management company that
335 the victim or intended victim of the misconduct has sustained no
336 damage or loss; that the damage or loss has been settled and
337 paid after discovery of the misconduct; or that such victim or
338 intended victim was a customer or a person in confidential
339 relation with the appraisal management company or was an
340 identified member of the general public.

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

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

345 (e) Has been convicted or found guilty of, or entered a
346 plea of nolo contendere to, regardless of adjudication, a crime
347 in any jurisdiction that directly relates to the activities of
348 an appraisal management company or that involves moral turpitude
349 or fraudulent or dishonest conduct. The record of a conviction
350 certified or authenticated in such form as admissible in

351 evidence under the laws of the state shall be admissible as
352 prima facie evidence of such guilt.

353 (f) Has had a registration, license, or certification as
354 an appraiser or a registration as an appraisal management
355 company revoked, suspended, or otherwise acted against; has been
356 disbarred; has had her or his registration, license, or
357 certificate to practice or conduct any regulated profession,
358 business, or vocation revoked or suspended by this or any other
359 state, any nation, or any possession or district of the United
360 States; or has had an application for such registration,
361 licensure, or certification to practice or conduct any regulated
362 profession, business, or vocation denied by this or any other
363 state, any nation, or any possession or district of the United
364 States.

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

371 (h) Is confined in any county jail, postadjudication; is
372 confined in any state or federal prison or mental institution;
373 or, through mental disease or deterioration, can no longer
374 safely be entrusted to deal with the public or in a confidential
375 capacity.

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

379 (j) Has been found guilty, for a second time, of any
380 misconduct that warrants disciplinary action, or has been found
381 guilty of a course of conduct or practice that shows that she or
382 he is incompetent, negligent, dishonest, or untruthful to an
383 extent that those with whom she or he may sustain a confidential
384 relationship may not safely do so.

385 (k) Has made or filed a report or record, either written
386 or oral, that the appraisal management company knows to be
387 false; has willfully failed to file a report or record required
388 by state or federal law; has willfully impeded or obstructed
389 such filing; or has induced another person to impede or obstruct
390 such filing. However, such reports or records shall include only
391 those that are signed or presented in the capacity of an
392 appraisal management company.

393 (l) Has obtained or attempted to obtain a registration,
394 license, or certification by means of knowingly making a false
395 statement, submitting false information, refusing to provide
396 complete information in response to an application question, or
397 engaging in fraud, misrepresentation, or concealment.

398 (m) Has paid money or other valuable consideration, except
399 as required by this section, to any member or employee of the
400 board to obtain a registration, license, or certification under

401 | this section.

402 | (n) Has instructed an appraiser to violate any standard of
403 | professional practice established by rule of the board,
404 | including standards for the development or communication of a
405 | real estate appraisal or other provision of the Uniform
406 | Standards of Professional Appraisal Practice.

407 | (o) Has engaged in the development of an appraisal or the
408 | preparation of an appraisal report, unless the appraisal
409 | management company is owned or controlled by certified
410 | appraisers.

411 | (p) Has failed to communicate an appraisal without good
412 | cause.

413 | (q) Has accepted an appraisal assignment if the employment
414 | itself is contingent upon the appraisal management company
415 | reporting a predetermined result, analysis, or opinion or if the
416 | fee to be paid for the performance of the appraisal assignment
417 | is contingent upon the opinion, conclusion, or valuation reached
418 | upon the consequences resulting from the appraisal assignment.

419 | (r) Has failed to timely notify the department of any
420 | change in principal business location as an appraisal management
421 | company.

422 | (s) Has influenced or attempted to influence the
423 | development, reporting, or review of an appraisal through
424 | coercion, extortion, collusion, compensation, inducement,
425 | intimidation, bribery, or any other means, including, but not

426 | limited to:

427 | 1. Withholding or threatening to withhold timely payment
428 | for an appraisal, unless such nonpayment is based upon specific
429 | quality or other service issues that constitute noncompliance
430 | with the appraisal engagement agreement.

431 | 2. Withholding or threatening to withhold future business
432 | from an appraiser.

433 | 3. Promising future business, promotions, or increased
434 | compensation for an appraiser, whether the promise is express or
435 | implied.

436 | 4. Conditioning a request for appraisal services or the
437 | payment of an appraisal fee, salary, or bonus upon the opinion,
438 | conclusion, or valuation to be reached or upon a preliminary
439 | estimate or opinion requested from an appraiser.

440 | 5. Requesting that an appraiser provide an estimated,
441 | predetermined, or desired valuation in an appraisal report or
442 | provide estimated values or comparable sales at any time before
443 | the appraiser's completion of appraisal services.

444 | 6. Providing to an appraiser an anticipated, estimated,
445 | encouraged, or desired value for a subject property or a
446 | proposed or target amount to be loaned to the borrower, except
447 | that a copy of the sales contract for purchase transactions may
448 | be provided.

449 | 7. Providing to an appraiser, or any person related to the
450 | appraiser, stock or other financial or nonfinancial benefits.

451 8. Allowing the removal of an appraiser from an appraiser
452 panel without prior written notice to the appraiser.

453 9. Obtaining, using, or paying for a second or subsequent
454 appraisal or ordering an automated valuation model in connection
455 with a mortgage financing transaction unless there is a
456 reasonable basis to believe that the initial appraisal was
457 flawed or tainted and such basis is clearly and appropriately
458 noted in the loan file, or unless such appraisal or automated
459 valuation model is issued pursuant to a bona fide prefunding or
460 postfunding appraisal review or quality control process.

461 10. Any other act or practice that impairs or attempts to
462 impair an appraiser's independence, objectivity, or
463 impartiality.

464 (t) Has altered, modified, or otherwise changed a
465 completed appraisal report submitted by an appraiser to an
466 appraisal management company.

467 (u) Has employed, contracted with, or otherwise retained
468 an appraiser whose registration, license, or certification is
469 suspended or revoked to perform appraisal services or appraisal
470 management services.

471 (v) Has required or attempted to require an appraiser to
472 sign any indemnification agreement that would require the
473 appraiser to hold harmless the appraisal management company or
474 its owners, agents, employees, or independent contractors from
475 any liability, damage, loss, or claim arising from the services

476 performed by the appraisal management company or its owners,
477 agents, employees, or independent contractors and not the
478 services performed by the appraiser.

479 Section 7. For the purpose of incorporating the amendment
480 made by this act to section 475.6245, Florida Statutes, in a
481 reference thereto, paragraph (b) of subsection (1) of section
482 475.626, Florida Statutes, is reenacted to read:

483 475.626 Violations and penalties.—

484 (1) A person may not:

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

487 Section 8. For the purpose of incorporating the amendment
488 made by this act to section 475.611, Florida Statutes, in a
489 reference thereto, section 475.629, Florida Statutes, is
490 reenacted to read:

491 475.629 Retention of records.—An appraiser registered,
492 licensed, or certified under this part shall prepare and retain
493 a work file for each appraisal, appraisal review, or appraisal
494 consulting assignment. An appraisal management company
495 registered under this part shall prepare and retain an order
496 file for each appraisal, appraisal review, or appraisal
497 consulting assignment. The work file and the order file shall be
498 retained for 5 years or the period specified in the Uniform
499 Standards of Professional Appraisal Practice, whichever is
500 greater. The work file must contain original or true copies of

501 any contracts engaging the appraiser's or appraisal management
502 company's services, appraisal reports, and supporting data
503 assembled and formulated by the appraiser or company in
504 preparing appraisal reports or engaging in appraisal management
505 services and all other data, information, and documentation
506 required by the standards for the development or communication
507 of a real estate appraisal as approved and adopted by the
508 Appraisal Standards Board of The Appraisal Foundation, as
509 established by rule of the board. The order file must contain
510 original or true copies of any contracts engaging the
511 appraiser's services, the appraisal reports, any engagement
512 materials or instructions from the client, and all other
513 documents required by the standards for the development or
514 communication of a real estate appraisal as approved and adopted
515 by the Appraisal Standards Board of The Appraisal Foundation, as
516 established by rule of the board. Notwithstanding the foregoing,
517 while general contracts and materials pertaining to impaneling
518 of an appraiser by an appraisal management company shall be
519 retained under this section, such contracts and materials are
520 not required to be maintained within the order file. Except as
521 otherwise specified in the Uniform Standards of Professional
522 Appraisal Practice, the period for retention of the records
523 applicable to each engagement of the services of the appraiser
524 or appraisal management company runs from the date of the
525 submission of the appraisal report to the client. Appraisal

526 management companies shall also retain the company accounts,
527 correspondence, memoranda, papers, books, and other records in
528 accordance with administrative rules adopted by the board. These
529 records must be made available by the appraiser or appraisal
530 management company for inspection and copying by the department
531 upon reasonable notice to the appraiser or company. If an
532 appraisal has been the subject of or has served as evidence for
533 litigation, reports and records must be retained for at least 2
534 years after the trial or the period specified in the Uniform
535 Standards of Professional Appraisal Practice, whichever is
536 greater.

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