

CS/CS/CS/HB 303 — Real Estate Appraisers and Appraisal Management Companies

by General Government Policy Council; Government Operations Appropriations Committee; Insurance, Business, and Financial Affairs Policy Committee; and Rep. Hudson and others (CS/CS/SB's 2210 and 1552, 1st Eng., by General Government Appropriations Committee, Regulated Industries Committee; and Senators Constantine and Fasano)

The bill provides for the regulation of appraisal management companies (AMCs) and provides additional requirements for the regulation of appraisers. Appraisal management companies are business entities that administer independent appraisers to fulfill real estate appraisal assignments on behalf of lenders. Appraisers are regulated under Part II of ch. 475, F.S., by the Florida Real Estate Appraisal Board (board) within the Department of Business and Professional Regulation. Appraisers are subject to application requirements, qualifications for licensure, and disciplinary actions and penalties related to performing appraisals. Appraisal management companies are not currently regulated by state law. The bill increases the membership of the board from seven members to nine members, and provides that two members of the board must represent the appraisal management industry.

The bill requires that AMCs register with the board. The bill sets forth application requirements, and provides that the application fee for registration may not exceed \$150 and the initial registration fee and renewal fees may not exceed \$150 each year. Employees of an AMC are not required to obtain a separate registration. The bill exempts an AMC from the registration requirement if no more than 10 percent of the appraisal management company is owned by persons other than certified or licensed appraisers, or if the AMC is a financial institution, a licensed mortgage lender, or an insurer.

The application requires the disclosure of any person who possesses the authority, directly or indirectly, to direct the management or policies of the AMC, and requires that such persons submit a set of fingerprints to conduct a criminal history record check to determine if the person is statutorily qualified for registration.

The bill provides grounds for the denial of an AMC's application for registration, and for imposing a fine, suspending, or revoking an appraiser license, registration, or certification. It authorizes administrative fines against AMCs that may not exceed \$5,000 for each count or offense.

The bill also requires the board to adopt rules for the protection and authentication of an appraiser's signature, and requires that appraisal records be maintained for five years or the time limits provided by the Uniform Standards of Professional Appraisal Practice, whichever is greater.

If approved by the Governor, these provisions take effect July 1, 2011

Vote: Senate 112-0; House 35-0