

SB 1507-1
(LC 167)
2/5/20 (MNJ/ps)

Requested by SENATE COMMITTEE ON GENERAL GOVERNMENT AND EMERGENCY
PREPAREDNESS

**PROPOSED AMENDMENTS TO
SENATE BILL 1507**

1 In line 2 of the printed bill, after the semicolon insert “amending ORS
2 674.200, 674.205, 674.220, 674.250, 674.310, 674.330 and 674.340;”.

3 Delete lines 4 through 8 and insert:

4 **“SECTION 1.** ORS 674.200 is amended to read:

5 “674.200. As used in ORS 674.200 to 674.250:

6 “(1) ‘Appraisal’ means the process of developing an opinion of the value
7 of real property in conformance with commonly accepted standards for ap-
8 praisers.

9 “(2)(a) ‘Appraisal management company’ means an external third party
10 that:

11 “(A) Oversees an [*appraisal*] **appraiser** panel of more than 15 appraisers
12 in Oregon or at least 25 appraisers in the United States; and

13 “(B) Is authorized by a client to:

14 “(i) Recruit, select and retain appraisers;

15 “(ii) Contract with appraisers to perform appraisal assignments;

16 “(iii) Manage the process of having an appraisal performed, including
17 providing administrative duties such as receiving appraisal orders and ap-
18 praisal reports, submitting completed appraisal reports to clients, collecting
19 fees from clients for services provided and reimbursing appraisers for ser-
20 vices performed; or

21 “(iv) Review and verify the work of appraisers.

1 “(b) ‘Appraisal management company’ does not include an entity that
2 employs real estate appraisers exclusively as employees for the performance
3 of real estate appraisal activity.

4 “(3) ‘Appraisal management services’ means the process of receiving a
5 request for the performance of real estate appraisal activity from a client
6 and, for a fee paid by the client, entering into an agreement with an inde-
7 pendent contractor appraiser to perform the real estate appraisal activity
8 contained in the request.

9 “(4)(a) ‘Appraisal review’ means the act or process of developing and
10 communicating an opinion about the quality of the substantive aspects of
11 another appraiser’s work that was performed as part of an appraisal assign-
12 ment.

13 “(b) An ‘appraisal review’ is not a quality control examination.

14 “(5) ‘Appraiser’ means a state certified appraiser or state licensed ap-
15 praiser certified or licensed under ORS 674.310.

16 “(6) ‘Appraiser panel’ means a group of appraisers who have been selected
17 by an appraisal management company to perform real estate appraisal ac-
18 tivity for clients.

19 “(7) ‘Client’ means a person that engages an appraisal management com-
20 pany to perform appraisal management services.

21 “(8) ‘Controlling person’ means:

22 “(a) An owner, officer or director of an appraisal management company;

23 “(b) An individual authorized by an appraisal management company to
24 enter into a contractual relationship with:

25 “(A) A client for the performance of services requiring registration as an
26 appraisal management company; and

27 “(B) An appraiser for the performance of appraisals; or

28 “(c) An individual who possesses, directly or indirectly, the power to di-
29 rect the management or policies of an appraisal management company.

30 “(9) ‘Independent contractor appraiser’ means an appraiser who receives

1 a fee for performing an appraisal, but who is not an employee of the person
2 engaging the appraiser.

3 “(10)(a) ‘Quality control examination’ means an examination of an ap-
4 praisal report for compliance and completeness in relation to client specifi-
5 cations, including examination for grammatical or typographical errors.

6 “(b) A ‘quality control examination’ is not an appraisal review.

7 “(11) ‘Real estate appraisal activity’ means the activity described in ORS
8 674.100.

9 “(12) ‘Uniform Standards of Professional Appraisal Practice’ means the
10 current standards of the appraisal profession, developed for appraisers and
11 users of appraisal services by the Appraisal Standards Board of the Appraisal
12 Foundation.

13 **“SECTION 2.** ORS 674.205 is amended to read:

14 “674.205. (1) A person may not directly or indirectly engage in or attempt
15 to engage in business as an appraisal management company or advertise or
16 represent that the entity is an appraisal management company unless the
17 person is:

18 “(a) Registered as an appraisal management company with the Appraiser
19 Certification and Licensure Board; or

20 “(b) An appraisal management company [*that is a subsidiary of and owned*
21 *and controlled by a financial institution regulated by a federal financial in-*
22 *stitution regulatory agency, as that term is defined in ORS 674.010] **owned**
23 **and controlled by an insured depository institution as defined in 12**
24 **U.S.C. 1813 that is regulated by the Comptroller of the Currency, the**
25 **Board of Governors of the Federal Reserve System or the Federal De-**
26 **posit Insurance Corporation.***

27 “(2) A business entity may apply for registration as an appraisal man-
28 agement company on forms prescribed by rule by the board. The application
29 must include:

30 “(a) The name, address and phone contact information of the entity;

1 “(b) The name, address and phone contact information of a controlling
2 person of the entity;

3 “(c) If the entity is not domiciled in this state, the name and phone con-
4 tact information for the entity’s agent for service of process in this state;

5 “(d) The name, address and phone contact information of any person that
6 owns 10 percent or more of the entity;

7 “(e) A certification that:

8 “(A) **Each owner, in whole or in part, directly or indirectly, of the**
9 **entity and the controlling person identified in the application have not**
10 **had an appraiser license or certificate refused, denied, canceled, sur-**
11 **rendered in lieu of revocation or revoked in any state, territory or**
12 **possession of the United States, for a substantive cause, as determined**
13 **by the Appraisal Subcommittee of the Federal Financial Institutions**
14 **Examination Council;**

15 “[A] (B) The entity has a system to verify that each appraiser on the
16 entity’s appraiser panel is licensed or certified under ORS 674.310;

17 “[B] (C) The entity requires an appraiser completing an appraisal at the
18 entity’s request to confirm that the appraiser is competent to perform the
19 appraisal assignment before accepting the assignment;

20 “[C] (D) The entity requires appraisers completing appraisals at the
21 entity’s request to comply with the Uniform Standards of Professional Ap-
22 praisal Practice;

23 “[D] (E) The entity has a system in place to require that appraisals are
24 conducted independently and without inappropriate influence or coercion as
25 required by the appraisal independence standards established under section
26 129E of the Truth in Lending Act; and

27 “[E] (F) The entity maintains and retains for at least five years, or as
28 required under ORS 674.150, a detailed record of each appraisal management
29 services request the entity receives and the appraiser who performs the real
30 estate appraisal activity contained in the request;

1 “(f) The surety bond, letter of credit or deposit required by ORS 674.210;

2 “(g) Fees in an amount prescribed by rule by the board, which must be
3 sufficient to cover the costs of administering ORS 674.200 to 674.250 and
4 674.995; and

5 “(h) Any other information required by the board by rule.

6 “(3) The board may not issue a registration to a business entity as an
7 appraisal management company unless:

8 “[*(a) Each individual who owns 10 percent or more of the entity and the*
9 *controlling person identified by the entity in the application have completed a*
10 *criminal records check; and]*

11 “**(a) The board finds that no owner, in whole or in part, directly or**
12 **indirectly, of the entity or the controlling person identified in the ap-**
13 **plication has had an appraiser license or certificate refused, denied,**
14 **canceled, surrendered in lieu of revocation or revoked in any state,**
15 **territory or possession of the United States, for a substantive cause,**
16 **as determined by the Appraisal Subcommittee of the Federal Financial**
17 **Institutions Examination Council; and**

18 “(b) The board determines that each individual who owns **more than** 10
19 percent [*or more*] of the entity and the controlling person identified by the
20 entity in the application **are of good moral character**[:].

21 “[*(A) Are of good moral character; and]*

22 “[*(B) Have never had a license, certification or registration to act as an*
23 *appraiser or appraisal management company refused, denied, canceled or re-*
24 *voked in this state or in any other state.]*

25 “(4)(a) The board shall issue a unique registration number to each ap-
26 praisal management company registered under this section.

27 “(b) The board shall maintain a published list of appraisal management
28 companies registered under this section.

29 “(c) An appraisal management company registered under this section shall
30 disclose the company’s registration number to each appraiser used by the

1 company.

2 “(5) An appraisal management company registration expires two years
3 after the date of the issuance of the registration. The board shall adopt rules
4 establishing the requirements for renewal or reactivation of a registration.
5 The rules must require that an appraisal management company provide all
6 of the information and certifications required for an initial application for
7 registration under subsection (2) of this section in the renewal application.

8 **“SECTION 3.** ORS 674.220 is amended to read:

9 “674.220. (1) An appraisal management company or an employee, control-
10 ling person or agent of an appraisal management company may not:

11 “(a) Attempt to influence the development or reporting of an appraisal
12 or appraisal review through coercion, extortion, collusion, compensation,
13 inducement, intimidation, bribery or any other manner, including but not
14 limited to:

15 “(A) Withholding or threatening to withhold timely payment for an ap-
16 praisal;

17 “(B) Withholding or threatening to withhold future business for an ap-
18 praiser;

19 “(C) Expressly or impliedly promising future business, promotions or in-
20 creased compensation for an appraiser;

21 “(D) Conditioning the ordering of an appraisal report or any payment on
22 the opinion, conclusion or valuation to be reached, or on a preliminary es-
23 timate or opinion requested from an appraiser;

24 “(E) Requesting that an appraiser provide an estimated, predetermined or
25 desired valuation in an appraisal report, or provide estimated values or
26 comparable sales at any time prior to the appraiser’s completion of real es-
27 tate appraisal activity;

28 “(F) Providing to an appraiser an anticipated, estimated, encouraged or
29 desired value for a subject property or a proposed or target amount to be
30 loaned to the borrower, except that a copy of the sales contract for a pur-

1 chase transaction may be provided; or

2 “(G) Providing to an appraiser, or any entity or individual related to the
3 appraiser, stock or other financial or nonfinancial benefits;

4 “(b) Require an appraiser to accept an appraisal assignment if the ap-
5 praiser has notified the company that the appraiser declines the assignment
6 because the assignment must be completed within a time frame that the ap-
7 praiser, in the appraiser’s professional judgment, believes does not afford the
8 appraiser the ability to meet the appraiser’s legal and professional obli-
9 gations;

10 “(c) Require an appraiser to accept an appraisal assignment if the ap-
11 praiser has notified the company that the appraiser declines the assignment
12 because, in the appraiser’s professional judgment, the appraiser does not
13 have the necessary expertise for the assignment;

14 “(d) Prohibit lawful communications between the appraiser and any other
15 person who the appraiser, in the appraiser’s professional judgment, believes
16 possesses information that would be relevant;

17 “(e) Knowingly require an appraiser to take any action that does not
18 comply with the provisions of ORS chapter 674, the rules of the Appraiser
19 Certification and Licensure Board or any assignment conditions and certif-
20 ications required by the client for whom an appraisal is being performed;

21 “(f) Require an appraiser to indemnify the appraisal management company
22 or any other party against liability, damages, losses or claims that arise out
23 of any act or conduct of the appraisal management company or that do not
24 arise out of the services performed by the appraiser;

25 “(g) Prohibit an appraiser from reporting the fee paid to the appraiser in
26 the appraisal report;

27 “(h) Allow a person to perform an appraisal review relating to a property
28 located in this state if the person is not an appraiser with the licensure re-
29 quired to perform the appraisal review;

30 “(i) Substantively alter in any way a completed appraisal report submitted

1 by an appraiser; or

2 “(j) [*Except within the first 90 days after an appraiser is added to the*
3 *company’s appraiser panel,*] Remove the appraiser from the appraiser panel
4 without prior written notice to the appraiser, including notice of evidence
5 of the reason for removal.

6 “(2) An appraisal management company may request, on behalf of and
7 with the approval of a financial institution at the request of a consumer,
8 that an appraiser:

9 “(a) Provide additional information about the basis for the valuation;

10 “(b) Correct objective factual errors in a completed appraisal report; or

11 “(c) Consider the prices of other comparable properties.

12 **“SECTION 4.** ORS 674.310 is amended to read:

13 “674.310. (1) The Appraiser Certification and Licensure Board shall:

14 “(a) Have the power to do all things necessary and convenient to carry
15 into effect the provisions of this chapter, ORS 674.200 to 674.250 and the
16 federal Act and to regulate the activities of state licensed appraisers, state
17 certified appraisers, state registered appraiser assistants and appraisal man-
18 agement companies to ensure that real estate appraisals conform to the law
19 in effect on the date of the real estate appraisal activity.

20 “(b) Certify or license appraisers and register appraiser assistants as
21 necessary to carry out the federal Act and the purposes set forth in ORS
22 674.020.

23 “(c) Register appraisal management companies under ORS 674.200 to
24 674.250.

25 “(d) Supervise the activities of state certified appraisers, state licensed
26 appraisers, state registered appraiser assistants and appraisal management
27 companies as provided in this chapter and ORS 674.200 to 674.250, to ensure
28 that they perform real estate appraisal activity in strict conformance with
29 the provisions of this chapter and of the federal Act, and that they otherwise
30 comply with the provisions of this chapter and ORS 674.200 to 674.250 in the

1 conduct of their professional activities.

2 “(e) Establish, keep current and, no less than annually, transmit to the
3 Appraisal Subcommittee a roster listing state certified appraisers and state
4 licensed appraisers.

5 “(f) Collect and remit fees as required under ORS 674.250, [*and*] 674.330
6 **and 674.340.**

7 “(2) Rules adopted by the Appraiser Certification and Licensure Board to
8 govern real estate appraiser certification and licensure shall conform with
9 the requirements of the federal Act. The board shall adopt rules including
10 but not limited to:

11 “(a) Establishing programs for the certification, licensure or registration
12 of individuals who engage in real estate appraisal activity.

13 “(b) Establishing educational requirements for certification or licensure
14 of appraisers and for the registration of appraiser assistants that ensure
15 protection of the public interest and comply with the requirements of the
16 federal Act. Education requirements for state licensed appraisers and state
17 certified appraisers must meet the minimum criteria established by the Ap-
18 praiser Qualification Board of the Appraisal Foundation.

19 “(c) Establishing a professional code of responsibility for state certified
20 appraisers and state licensed appraisers that is in conformance with the
21 federal Act.

22 “(d) Providing for registration of out-of-state appraisers as provided for
23 under ORS 674.120.

24 “(3) An individual may not be a state licensed appraiser or a state certi-
25 fied appraiser unless the individual has achieved a passing grade [*upon a*
26 *suitable examination equivalent to the Uniform Certification Examination is-*
27 *ssued or endorsed by the Appraisal Qualification Board of the Appraisal*
28 *Foundation*] **on an examination approved by the Appraisal Qualification**
29 **Board of the Appraisal Foundation for the credential being sought.**

30 “(4) The Appraiser Certification and Licensure Board, acting through the

1 administrator, may issue subpoenas to compel the attendance of witnesses
2 and the production of papers, books, records, correspondence, agreements,
3 memoranda and other material or relevant documents in investigations or
4 proceedings pertaining to the powers and duties of the board.

5 “(5) In the case of a person who refuses to respond to a subpoena issued
6 by the Appraiser Certification and Licensure Board, the judge of the circuit
7 court, on the application of the board administrator, shall order compliance
8 with the board subpoena in the same manner as a proceeding for contempt
9 for failure to respond to a subpoena of the court.

10 **“SECTION 5.** ORS 674.250 is amended to read:

11 **“674.250. (1) The Appraiser Certification and Licensure Board shall**
12 **collect from each appraisal management company an annual registry**
13 **fee in an amount determined by the Appraisal Subcommittee of the**
14 **Federal Financial Institutions Examination Council as set forth in**
15 **federal law.**

16 “[~~(1)~~] **(2)** The [*Appraiser Certification and Licensure*] board shall establish
17 by rule fees for appraisal management companies, including but not limited
18 to fees for:

19 “(a) Application for registration.

20 “(b) Registration.

21 “(c) Renewal of registration.

22 “(d) Duplicate registration.

23 “(e) Renewal of inactive registration.

24 “(f) Reactivation of inactive registration.

25 “(g) Late renewal of registration.

26 “(h) Inactive status.

27 “[~~(i)~~] *Annual appraisal management company registry fees in an amount*
28 *determined by the Appraisal Subcommittee of the Federal Financial Insti-*
29 *tutions Examination Council as set forth in federal law.]*

30 “[~~(2)~~] **(3)** All moneys collected or received by the board pursuant to this

1 section shall be paid into the account created by the board under ORS
2 182.470.

3 **SECTION 6.** ORS 674.330 is amended to read:

4 “674.330. (1) The Appraiser Certification and Licensure Board shall collect
5 from each state certified appraiser and each state licensed appraiser an an-
6 nual registry fee as required by the federal Act and in an amount determined
7 by the Appraisal Subcommittee. [*All annual registry fees collected by the*
8 *board under this subsection shall be remitted to the Federal Financial Insti-*
9 *tutions Examination Council in accordance with the federal Act.*]

10 “(2) Except as provided in subsection (1) of this section and in addition
11 to any fees required by subsection (1) of this section, the board may establish
12 by rule fees to be charged and collected under this chapter. The fees estab-
13 lished by the board may include, but need not be limited to, fees:

14 “(a) For each certification or licensure examination administered under
15 ORS 674.310.

16 “(b) For each certificate or license awarded or issued under ORS 674.310.

17 “(c) For each renewal of a certificate or license awarded or issued under
18 ORS 674.310.

19 “(d) For each duplicate certificate or license, where the original license
20 is lost or destroyed and affidavit made thereof.

21 “(e) For the renewal of an inactive certificate or license.

22 “(f) For the reactivation of an inactive certificate or license.

23 “(g) For late renewal, in addition to the renewal fee.

24 “(h) For a temporary registration provided for under ORS 674.120.

25 “(i) For each application.

26 “(j) For inactive status.

27 “(k) For each walk-in examination.

28 “(L) For each appraiser assistant registration.

29 “(m) For each appraiser assistant renewal.

30 **SECTION 7.** ORS 674.340 is amended to read:

1 “674.340. (1) All moneys, fees and charges collected or received by the
2 Appraiser Certification and Licensure Board pursuant to ORS **674.250 and**
3 674.330 shall be paid into the account created by the board under ORS
4 182.470. All moneys in the account are appropriated continuously to the
5 board to carry out the duties that the board is charged with administering.

6 “(2) The Federal Registry Fund is established in the account created by
7 the board under ORS 182.470. Proceeds received under ORS **674.250 (1) and**
8 674.330 (1) shall be deposited in the Federal Registry Fund[. *The moneys in*
9 *the Federal Registry Fund shall be used solely as set forth in ORS 674.330*
10 *(1)] for the sole purpose of remitting the funds to the Federal Financial*
11 **Institutions Examination Council in accordance with the federal Act.**

12 “**SECTION 8. This 2020 Act takes effect on the 91st day after the**
13 **date on which the 2020 regular session of the Eightieth Legislative**
14 **Assembly adjourns sine die.”**

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