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# A BILL FOR AN ACT

RELATING TO APPRAISAL MANAGEMENT COMPANIES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that in 2008, the  
2 nation's economy was shaken by the collapse of the sub-prime  
3 mortgage market, which threatened the country's financial  
4 system. While investigating the causes that led to this  
5 collapse, Congress determined one cause was the use of  
6 appraisals that did not conform to generally accepted standards  
7 of independence, objectivity, and impartiality. Extensive abuse  
8 was also discovered in the mortgage origination industry, with  
9 appraisers' close business relationships with lenders and the  
10 use of biased appraisals to facilitate the lending process found  
11 to be contributing factors.

12           In response, Congress enacted the Dodd-Frank Wall Street  
13 Reform and Consumer Protection Act, Pub. L. No. 111-203 (Dodd-  
14 Frank Act). The Dodd-Frank Act helped restore independence to  
15 the appraisal process by separating the lending process and  
16 appraisal functions and requiring these functions to be  
17 autonomous.



1           The legislature further finds that appraisal management  
2 companies, commonly referred to as AMCs, have proliferated as a  
3 result of the Dodd-Frank Act. One way of maintaining  
4 independence between the appraisal function and the loan  
5 origination function of an appraisal process is to have an  
6 intermediary separate from the lender that orders and receives  
7 appraisals, a function that has been fulfilled by the use of  
8 appraisal management companies.

9           Section 1473 of the Dodd-Frank Act required six federal  
10 regulatory agencies to jointly promulgate rules that establish  
11 minimum requirements to be applied by states in the registration  
12 and supervision of appraisal management companies. The  
13 appraisal management companies final rule (AMC Final Rule) was  
14 published in the Federal Register on June 9, 2015, (80 Federal  
15 Register 32657 et seq.) and became effective August 10, 2015.  
16 The AMC Final Rule outlines certain minimum registration and  
17 oversight requirements for each state to adopt. While the AMC  
18 Final Rule does not force a state to enact these minimum  
19 requirements, it specifies that if a state fails to do so by  
20 August 10, 2018, certain non-federally regulated appraisal  
21 management companies will be barred from providing appraisal



1 management services for federally related transactions in that  
2 state.

3       The legislature additionally finds that Hawaii's failure to  
4 adopt regulation of appraisal management companies that conform  
5 with the AMC Final Rule could have unintended and adverse  
6 consequences for Hawaii consumers and others involved in the  
7 residential appraisal process in the State. The legislature  
8 notes that a large source of Hawaii's funding for residential  
9 mortgages comes from outside the State, through either direct  
10 lending or secondary market investments, which frequently use  
11 appraisal management companies. Furthermore, if conforming  
12 legislation is not enacted, there is a risk that direct lending  
13 for residential mortgages from outside the State could come to a  
14 standstill, as appraisal orders could not be economically placed  
15 by mainland lenders and Hawaii is too small a market for a large  
16 lender to customize a system for the State. There is also a  
17 risk that mortgage money may not be available to all people in  
18 the State who need it. This potential restriction of available  
19 mortgage funds could make home affordability even more elusive  
20 for residents of Hawaii and could adversely impact home  
21 ownership for many families.





1 requirements of the Dodd-Frank Wall Street Reform and Consumer  
 2 Protection Act, Pub. L. No. 111-203, and the final regulations  
 3 published on June 9, 2015, in 12 Code of Federal Regulations,  
 4 sections 1222.20, et. seq., 80 Federal Register 32657. The  
 5 purpose of this chapter is to establish minimum requirements for  
 6 the regulation of certain non-federally regulated appraisal  
 7 management companies.

8       § -B Definitions. As used in this chapter unless the  
 9 context otherwise requires:

10       "Affiliate" means any company that controls, is controlled  
 11 by, or is under control of another company, as defined under 12  
 12 United States Code section 1841, or any successor federal  
 13 statute.

14       "AMC national registry" means the registry of state-  
 15 registered appraisal management companies and federally  
 16 regulated appraisal management companies maintained by the  
 17 Appraisal Subcommittee.

18       "Appraisal management company" means a person that:

- 19       (1) Provides appraisal management services to creditors or
- 20             secondary mortgage market participants, including
- 21             affiliates;



1           (2) Provides appraisal management services in connection  
2           with valuing a consumer's principal dwelling as  
3           security for a consumer credit transaction or  
4           incorporating these transactions into securitizations;  
5           and

6           (3) Within a twelve-month calendar year, beginning January  
7           1 of each year and ending on December 31 of each year,  
8           oversees an appraiser panel of more than fifteen  
9           state-certified or state-licensed appraisers in a  
10          state or twenty-five or more state-certified or state-  
11          licensed appraisers in two or more states, as  
12          described in section     -E.

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

16           "Appraisal management services" means one or more of the  
17 following:

- 18           (1) Recruiting, selecting, and retaining appraisers;
- 19           (2) Contracting with state-certified or state-licensed  
20           appraisers to perform appraisal assignments;



1 (3) Managing the process of having an appraisal performed,  
2 including providing administrative services such as  
3 receiving appraisal orders and appraisal reports,  
4 submitting completed appraisal reports to creditors  
5 and secondary market participants; collecting fees  
6 from creditors and secondary market participants for  
7 services provided; and paying appraisers for services  
8 performed; and

9 (4) Reviewing and verifying the work of appraisers.

10 "Appraiser panel" means a network, list, or roster of  
11 licensed or certified appraisers approved by an appraisal  
12 management company to perform appraisals as independent  
13 contractors for the appraisal management company. Appraisers on  
14 an appraisal management company's "appraiser panel" include:

15 (1) Appraisers accepted by the appraisal management  
16 company for consideration for future appraisal  
17 assignments in covered transactions or for secondary  
18 mortgage market participants in connection with  
19 covered transactions; and

20 (2) Appraisers engaged by the appraisal management company  
21 to perform one or more appraisals in covered



1 transactions or for secondary mortgage market  
2 participants in connection with covered transactions.

3 For purposes of this chapter, an appraiser is an independent  
4 contractor if the appraiser is treated as an independent  
5 contractor by the appraisal management company for purposes of  
6 federal income taxation.

7 "Appraisal review" means the process of developing and  
8 communicating an opinion about the quality of another  
9 appraiser's work that was performed as part of an appraisal  
10 assignment or appraisal review assignment related to the  
11 appraiser's data collection, analysis, opinions, conclusions,  
12 estimate of value, or compliance with the Uniform Standards of  
13 Professional Appraisal Practice.

14 "Appraisal review" does not include:

- 15 (1) A general examination for grammatical, typographical,  
16 mathematical or other similar errors; or
- 17 (2) A general examination for completeness, including  
18 regulatory or client requirements as specified in the  
19 agreement process, that does not communicate an  
20 opinion of value.





1 "Appraisal Subcommittee" means the Appraisal Subcommittee  
2 of the Federal Financial Institutions Examination Council  
3 created pursuant to Title XI of the federal Financial  
4 Institutions Reform, Recovery, and Enforcement Act of 1989.

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

7 "Controlling person" means:

8 (1) An officer, director, or owner of greater than a ten  
9 per cent interest of a corporation, partnership, or  
10 other business entity seeking to act as an appraisal  
11 management company in the State;

12 (2) An individual employed, appointed, or authorized by an  
13 appraisal management company who has the authority to:

14 (A) Enter a contractual relationship with other  
15 persons for performance of services requiring  
16 registration as an appraisal management company;  
17 and

18 (B) Enter agreements with appraisers for the  
19 performance of appraisals; or

20 (3) An individual who possesses, directly or indirectly,  
21 the power to direct or cause the direction of the



1 management or policies of an appraisal management  
2 company.

3 "Covered transaction" means any consumer credit transaction  
4 secured by the consumer's principal dwelling.

5 "Creditor" means a person who regularly extends consumer  
6 credit that is subject to a finance charge or is payable by  
7 written agreement in more than four installments (not including  
8 a downpayment) and to whom the obligation is initially payable,  
9 either on the face of the note or contract, or by agreement when  
10 there is no note or contract.

11 A person regularly extends consumer credit if:

12 (1) The person extended credit (other than credit subject  
13 to the requirements of 12 Code of Federal Regulations  
14 section 1026.32) more than five times for transactions  
15 secured by a dwelling in the preceding calendar year.

16 If a person did not meet these numerical standards in  
17 the preceding calendar year, the numerical standards  
18 shall be applied to the current calendar year; or

19 (2) In any twelve-month period, the person extends more  
20 than one credit extension that is subject to the  
21 requirements of 12 Code of Federal Regulations section



1           1026.32 or one or more such credit extensions through  
2           a mortgage broker.

3           "Department" means the department of commerce and consumer  
4           affairs.

5           "Director" means the director of commerce and consumer  
6           affairs.

7           "Dwelling" means a residential structure that contains one  
8           to four units, whether or not that structure is attached to real  
9           property. "Dwelling" includes an individual condominium unit,  
10          cooperative unit, mobile home, and trailer, if it is used as a  
11          residence. A consumer can have only one principal dwelling at a  
12          time. A vacation or other second home is not considered a  
13          principal dwelling; provided that for purposes of this  
14          definition, if a consumer buys or builds a new dwelling that  
15          will become the consumer's principal dwelling within a year or  
16          upon the completion of construction, the new dwelling shall be  
17          considered the principal dwelling.

18          "Federally regulated appraisal management company" means an  
19          appraisal management company that is owned and controlled by an  
20          insured depository institution, as defined in 12 United States  
21          Code section 1813, and regulated by the Office of the



1 Comptroller of the Currency, the Board of Governors of the  
2 Federal Reserve System, or the Federal Deposit Insurance  
3 Corporation.

4 "Federally related transaction" means any real estate-  
5 related financial transaction that involves an insured  
6 depository institution regulated by the Office of the  
7 Comptroller of the Currency, Board of Governors of the Federal  
8 Reserve System, Federal Deposit Insurance Corporation, or  
9 National Credit Union Administration, and that requires the  
10 services of an appraiser under the interagency appraisal rules.

11 "Person" means a natural person or an organization,  
12 including a corporation, partnership, proprietorship,  
13 association, cooperative, estate, trust, or government unit.

14 "Real estate-related financial transaction" means any  
15 transaction involving the sale, lease, purchase, investment in,  
16 or exchange of real property, including interests in property or  
17 the financing thereof, including the refinancing of real  
18 property or interests in real property and the use of real  
19 property or interests in property as security for a loan or  
20 investment, including mortgage-backed securities.



1 "Secondary mortgage market participant" means a guarantor  
2 or insurer of mortgage-backed securities or an underwriter or  
3 issuer of mortgage-backed securities. "Secondary mortgage  
4 market participant" only includes an individual investor in a  
5 mortgage-backed security if that investor also serves in the  
6 capacity of a guarantor, insurer, underwriter, or issuer for the  
7 mortgage-backed security.

8 "Uniform Standards of Professional Appraisal Practice"  
9 means the most recent iteration of the Uniform Standards of  
10 Professional Appraisal Practice developed by the appraisal  
11 standards board of The Appraisal Foundation and approved by the  
12 director.

13 **§ -C Appraisal management company registration program.**  
14 There is established an appraisal management company  
15 registration program subject to the real estate appraisal  
16 program to be administered by the director in the director's  
17 capacity as the program administrator for both programs.

18 **§ -D Powers and duties of the director.** In addition to  
19 any other powers and duties authorized by law, the director  
20 shall have the following powers and duties:



- 1 (1) Review and approve or deny an appraisal management  
2 company's application for initial registration;
- 3 (2) Renew or deny an appraisal management company's  
4 registration periodically;
- 5 (3) Examine the books and records of an appraisal  
6 management company operating in the State and require  
7 the appraisal management company to submit reports,  
8 information, and documents;
- 9 (4) Verify that the appraisers on the appraisal management  
10 company's appraiser panel hold valid state licenses or  
11 certifications, as applicable;
- 12 (5) Conduct investigations of appraisal management  
13 companies to assess potential violations of applicable  
14 appraisal-related laws, regulations, or orders;
- 15 (6) Discipline, suspend, terminate, or deny renewal of the  
16 registration of an appraisal management company that  
17 violates applicable appraisal-related laws,  
18 regulations, or orders;
- 19 (7) Report an appraisal management company's violation of  
20 applicable appraisal-related law, regulations, or  
21 orders, as well disciplinary and enforcement actions



1 and other relevant information about an appraisal  
2 management company's operations, to the Appraisal  
3 Subcommittee; and

4 (8) Adopt, amend, and repeal rules, pursuant to chapter  
5 91, as may be necessary to establish the appraisal  
6 management company registration program and implement,  
7 administer, and enforce this chapter.

8 § -E Appraiser panel; annual size calculation. (a) For  
9 purposes of determining whether an appraisal management meets  
10 the size requirement of an appraisal management company, as that  
11 term is defined in section -B, an appraiser shall be deemed  
12 part of the appraisal management company's appraiser panel as of  
13 the earliest date on which the appraisal management company:

14 (1) Accepts the appraiser for the appraisal management  
15 company's consideration for future appraisal  
16 assignments in covered transactions or for secondary  
17 mortgage market participants in connection with  
18 covered transactions; or

19 (2) Engages the appraiser to perform one or more  
20 appraisals on behalf of a creditor for covered



1 transactions or a secondary mortgage market  
2 participant in connection with covered transactions.

3 (b) An appraiser who is deemed part of the appraisal  
4 management company's appraiser panel pursuant to subsection (a)  
5 shall be deemed to remain on the appraiser panel until the date  
6 on which the appraisal management company:

7 (1) Sends written notice to the appraiser removing the  
8 appraiser from the appraiser panel, with an  
9 explanation of the appraisal management company's  
10 action; or

11 (2) Receives written notice from the appraiser asking to  
12 be removed from the appraiser panel or notice of the  
13 death or incapacity of the appraiser.

14 (c) If an appraiser is removed from an appraisal  
15 management company's appraiser panel pursuant to subsection (b),  
16 and the appraisal management company subsequently accepts the  
17 appraiser for consideration for future assignments or engages  
18 the appraiser at any time during the twelve months after the  
19 appraiser's removal:

20 (1) The removal shall be deemed not to have occurred; and





1           (2) The appraiser shall be deemed to have been part of the  
2           appraisal management company's appraiser panel without  
3           interruption.

4           § -F Registration required. (a) No person may directly  
5           or indirectly engage or attempt to engage in business as an  
6           appraisal management company; directly or indirectly perform or  
7           attempt to perform appraisal management services; or advertise  
8           or hold oneself out as engaging in or conducting business as an  
9           appraisal management company without first being registered  
10          pursuant to this chapter.

11          (b) An appraisal management company shall:

12          (1) Register with the appraisal management company  
13          registration program administered by the department;

14          (2) Engage only state-licensed or state-certified  
15          appraisers for federally related transactions in  
16          conformity with any federally related transaction  
17          regulations;

18          (3) Establish and comply with processes and controls  
19          reasonably designed to ensure that the appraisal  
20          management company, in engaging an appraiser, selects  
21          an appraiser who is independent of the transaction and



1 has the requisite education, expertise, and experience  
2 necessary to competently complete the appraisal  
3 assignment for the particular market and property  
4 type;

5 (4) Direct an appraiser to perform the assignment in  
6 accordance with the Uniform Standards of Professional  
7 Appraisal Practice; and

8 (5) Establish and comply with processes and controls  
9 reasonably designed to ensure that the appraisal  
10 management company conducts its appraisal management  
11 services in accordance with the requirements of  
12 section 129E(a) through 129E(i) of the Truth in  
13 Lending Act, 15 United States Code sections 1639e(a)  
14 through 1639e(i), and regulations adopted thereunder.

15 (c) This section shall not apply to:

16 (1) A person who exclusively employs appraisers on an  
17 employer and employee basis for the performance of  
18 appraisals in this State;

19 (2) A federally regulated appraisal management company;

20 (3) A department or unit within a financial institution  
21 that:



- 1 (A) Is subject to direct regulation by an agency of  
2 the United States government that is a member of  
3 the Federal Financial Institutions Examination  
4 Council or its successor, or to regulation by an  
5 agency of this State; and
- 6 (B) Receives a request for the performance of an  
7 appraisal from one employee of the financial  
8 institution, and another employee of the same  
9 financial institution assigns the request for the  
10 appraisal to an appraiser that is an independent  
11 contractor to the institution;
- 12 provided that an appraisal management company that is  
13 a wholly owned subsidiary of a financial institution  
14 shall not be considered a department or unit within a  
15 financial institution to which the provisions of this  
16 chapter do not apply; or
- 17 (4) An appraiser who enters into an agreement with another  
18 appraiser for the performance of an appraisal that  
19 upon completion results in a report signed by both the  
20 appraiser who completed the appraisal and the



1            appraiser who requested the completion of the  
2            appraisal.

3            (d) Any person who engages in an activity requiring  
4 registration as an appraisal management company issued by the  
5 director and who fails to obtain the required registration, or  
6 who uses any work, title, or representation to induce the false  
7 belief that the person is registered to engage in said activity,  
8 shall be guilty of a misdemeanor and shall be subject to a fine  
9 of not more than \$1,000 or imprisoned not more than one year, or  
10 both, and each day of violation shall be deemed a separate  
11 offense.

12            (e) The director may maintain a suit to enjoin the  
13 performance or the continuance of any act or acts by a person  
14 acting without a registration where a registration is required  
15 by law, and if injured thereby, for the recovery of damages.

16            § -G **Registration process.** An applicant for  
17 registration under this chapter shall file an application for  
18 registration with the director on a form prescribed by the  
19 director and pay a fee established by the director. The form  
20 shall require any information necessary to determine eligibility  
21 for registration.



1           **§ -H Criminal history record checks.** (a) The  
2 application submitted pursuant to section -G shall contain  
3 the information and authorizations necessary to conduct a  
4 criminal history record check in accordance with section 846-2.7  
5 for:

6           (1) Each person applying for registration who owns more  
7 than ten per cent of an appraisal management company;  
8 and

9           (2) Each of the applicant's controlling persons.

10           (b) The information and authorizations shall be  
11 accompanied by the appropriate payment of the applicable fee for  
12 each record check.

13           **§ -I Appraisal management company registration numbers.**

14 (a) The director shall issue a unique registration number to  
15 each appraisal management company registered in this State.

16 (b) The director shall maintain a list of the appraisal  
17 management companies that are registered with the director.

18 (c) An appraisal management company registered in this  
19 State shall place its registration number on engagement  
20 documents utilized by the appraisal management company to  
21 procure appraisal services in this State.



1           **§ -J Expiration of registration.** Registrations shall  
2 expire on December 31 of each odd-numbered year. The expiration  
3 date of the registration shall appear on the appraisal  
4 management company registration certificate issued to the  
5 registrant, and no other notice of its expiration need be given  
6 to the registrant.

7           **§ -K Compliance with the Uniform Standards of**  
8 **Professional Appraisal Practice.** As a condition of registration  
9 or renewal of registration, each appraisal management company in  
10 the State shall certify that the company requires appraisers  
11 completing appraisals at the company's request to comply with  
12 the Uniform Standards of Professional Appraisal Practice.

13           **§ -L Consent to service of process.** An applicant for  
14 registration under this chapter that is not domiciled in the  
15 State shall complete an irrevocable consent to service of  
16 process, in a form approved by the attorney general.

17           **§ -M Reporting requirements; non-federally regulated**  
18 **appraisal management companies.** The director shall collect from  
19 each appraisal management company registered or seeking  
20 registration in the State all information and fees required by  
21 the Appraisal Subcommittee to be submitted to the Appraisal



1 Subcommittee by the State, pursuant to regulations or guidance  
2 promulgated by the Appraisal Subcommittee.

3 § -N Reporting requirements; federally regulated  
4 appraisal management companies; reporting information for  
5 appraisal management companies. A federally regulated appraisal  
6 management company operating in the State shall report to the  
7 director the information required to be submitted by the State  
8 to the Appraisal Subcommittee, pursuant to the Appraisal  
9 Subcommittee's policies regarding the determination of the AMC  
10 national registry fee. These reporting requirements shall  
11 include:

- 12 (1) A notice of intent to operate in the State;
- 13 (2) Information related to whether the appraisal  
14 management company is owned in whole or in part,  
15 directly or indirectly, by any person who has had an  
16 appraiser license or certification refused, denied,  
17 canceled, surrendered in lieu of revocation, or  
18 revoked in any state for a substantive cause, as  
19 determined by the Appraisal Subcommittee; and
- 20 (3) If a person has had such action taken on the person's  
21 appraisal license or certification, the director shall



1 collect information related to whether the license or  
2 certification was revoked for a substantive cause and  
3 if the license or certification has been reinstated by  
4 the state or states in which the appraiser was  
5 licensed or certified.

6 § -O Owner requirements. (a) An appraisal management  
7 company applying for, holding, or renewing a registration under  
8 this chapter shall not be owned, in whole or in part, directly  
9 or indirectly, by any person who has had an appraiser license or  
10 certification refused, denied, canceled, surrendered in lieu of  
11 revocation, or revoked in any state for a substantive cause, as  
12 determined by the appropriate state appraiser certifying and  
13 licensing agency; provided that an appraisal management company  
14 may be registered under this chapter if the license or  
15 certification of the appraiser with an ownership interest was  
16 not revoked for a substantive cause and the license or  
17 certification has been reinstated by the state in which the  
18 appraiser was licensed or certified.

19 (b) Each person that owns more than ten per cent of an  
20 appraisal management company and applies for, holds, or renews a  
21 registration under this chapter shall:





- 1 (1) Be of good moral character; and
- 2 (2) Submit to a criminal history record check pursuant to
- 3 section -H.

4 § -P **Controlling person.** An appraisal management  
5 company applying for registration or renewal of registration in  
6 the State shall designate one controlling person to serve as the  
7 main contact for all communication between the department and  
8 the company. The controlling person shall:

- 9 (1) Remain in good standing in the State and in any other
- 10 state that has at any time issued the controlling
- 11 person an appraiser license or certification; provided
- 12 that nothing in this chapter shall require that a
- 13 designated controlling person hold or continue to hold
- 14 an appraiser license or certification in any
- 15 jurisdiction;
- 16 (2) Never have had an appraiser license or certification
- 17 in this State or any other state refused, denied,
- 18 canceled, revoked, or surrendered in lieu of a pending
- 19 disciplinary proceeding in any jurisdiction and not
- 20 subsequently reinstated or granted;
- 21 (3) Be of good moral character; and



1 (4) Submit to a criminal history record check pursuant to  
2 section -H.

3 § -Q **Appraiser engagement.** Before or at the time of  
4 placing an assignment to appraise real property in the State  
5 with an appraiser on the appraiser panel of an appraisal  
6 management company, the appraisal management company shall  
7 verify that the appraiser receiving the assignment holds an  
8 appraiser license or certification in good standing in this  
9 State and verify that the appraiser receiving the assignment  
10 meets the competency rule of the Uniform Standards of  
11 Professional Appraisal Practice. An attestation provided by an  
12 appraiser that such appraiser is geographically competent within  
13 the appraiser's scope of practice will satisfy an appraisal  
14 management company's responsibility under this section.

15 § -R **Appraisal review.** Any employee of or independent  
16 contractor to an appraisal management company who performs an  
17 appraisal review for a property located in this State shall be a  
18 licensed or certified appraiser in good standing in the State  
19 and any other jurisdiction in which the appraiser is licensed or  
20 certified.



1           **§ -S Verification of licensure or certification. (a)**

2 An appraisal management company registered in the State may not  
3 enter any contract or agreement with an appraiser for the  
4 performance of appraisals in the State unless the company  
5 verifies that the appraiser is licensed or certified in good  
6 standing in the State.

7           (b) An appraisal management company seeking registration  
8 or renewal of registration in the State shall certify that the  
9 company has a system and process in place to verify that an  
10 individual added to the appraiser panel of the company for  
11 appraisal services holds an appraiser license or certification  
12 in good standing in this State.

13           **§ -T Fee disclosure.** An appraisal management company  
14 registered in the State shall not prohibit an independent  
15 appraiser who is part of the appraiser panel from recording the  
16 fee that the appraiser was paid by the appraisal management  
17 company for the performance of an appraisal within the  
18 communication of the appraisal.

19           **§ -U Retention of records. (a)** Each appraisal  
20 management company seeking registration or renewal of  
21 registration in the State shall certify that the appraisal



1 management company maintains a detailed record of each service  
2 request the company receives for appraisals of real property  
3 located in the State.

4 (b) An appraisal management company registered in the  
5 State shall retain all records required to be maintained under  
6 this chapter for at least five years after the file is submitted  
7 to the appraisal management company or at least two years after  
8 final disposition of any related judicial proceeding of which  
9 the appraisal management company is provided notice, whichever  
10 period expires last.

11 (c) All records required to be maintained pursuant to this  
12 section shall be made available for inspection by the director  
13 upon request.

14 **§ -V Payments to appraisers.** (a) An appraisal  
15 management company shall, except in bona fide cases of breach of  
16 contract or substandard performance of services, make payment to  
17 an independent appraiser for the completion of an appraisal or  
18 valuation assignment within forty-five days of the date on which  
19 the appraiser transmits or otherwise provides the completed  
20 appraisal or valuation assignment to the appraisal management



1 company or the company's assignee, unless a mutually agreed-upon  
2 alternate arrangement has been previously established.

3 (b) An appraisal management company seeking registration  
4 or renewal of registration shall certify that the company will  
5 require appraisals to be conducted independently, as required by  
6 the appraisal independence standards under section 129E of the  
7 Truth in Lending Act, 15 United States Code section 1639e,  
8 including the requirement that a customary and reasonable fee be  
9 paid to an independent appraiser who completes an appraisal in  
10 connection with a consumer credit transaction secured by the  
11 principal dwelling.

12 § -W **Appraiser independence.** (a) It shall be a  
13 violation of this chapter for any employee, director, officer,  
14 or agent of an appraisal management company registered in this  
15 State to engage in any act or practice that violates appraisal  
16 independence as described in or pursuant to the provisions of  
17 this chapter.

18 (b) For purposes of subsection (a), acts or practices that  
19 violate appraisal independence shall include:

20 (1) Any appraisal of a property offered as security for  
21 repayment of the consumer credit transaction that is



1 conducted in connection with such transaction in which  
2 a person with an interest in the underlying  
3 transaction compensates, coerces, extorts, colludes,  
4 instructs, induces, bribes, or intimidates a person,  
5 appraisal management company, firm, or other entity  
6 conducting or involved in an appraisal, or attempts to  
7 compensate, coerce, extort, collude, instruct, induce,  
8 bribe, or intimidate such a person, for the purpose of  
9 causing the appraisal value assigned to the property  
10 under the appraisal to be based on any fact or other  
11 than the independent judgment of the appraiser;

12 (2) Mischaracterizing, or suborning any  
13 mischaracterization of, the appraised value of the  
14 property securing the extension of credit;

15 (3) Seeking to influence an appraiser or otherwise to  
16 encourage a targeted value in order to facilitate the  
17 making or pricing of the transaction; and

18 (4) Withholding or threatening to withhold timely payment  
19 for an appraisal report or for appraisal services  
20 rendered when the appraisal report or services are



1 provided for in accordance with the contract between  
2 the parties.

3 (c) The requirements of subsections (a) and (b) shall not  
4 be construed as prohibiting an appraisal management company,  
5 employee of an appraisal management company, consumer, or any  
6 other person with an interest in a real estate transaction from  
7 asking an appraiser to undertake one or more of the following:

8 (1) Consider additional appropriate property information,  
9 including the consideration of additional comparable  
10 properties to make or support an appraisal;

11 (2) Provide further detail, substantiation, or explanation  
12 for the appraiser's consideration in the value  
13 conclusion; or

14 (3) Correct objective errors in the appraisal report.

15 (d) Any appraisal management company, employee of an  
16 appraisal management company, or any other person involved in a  
17 real estate transaction involving an appraisal in connection  
18 with a consumer credit transaction, who has a reasonable basis  
19 to believe an appraiser is failing to comply with the uniform  
20 standards of professional appraisal practice, is violating



1 applicable laws, or is otherwise engaging in unethical or  
2 unprofessional conduct, shall refer the matter to the director.

3 (e) Every appraisal management company shall establish and  
4 comply with processes and controls reasonably designed to ensure  
5 that the appraisal management company, in engaging an appraiser,  
6 selects an appraiser who is independent of the transaction and  
7 who has the requisite education, expertise, and experience  
8 necessary to competently complete the appraisal assignment for  
9 the particular market and property type. Every appraisal  
10 management company shall establish and comply with processes and  
11 controls reasonably designed to ensure that the appraisal  
12 management company conducts its appraisal management services in  
13 accordance with the requirements of 15 United States Code  
14 Section 1639e (a) through (i), and regulations thereunder.

15 § -X **Mandatory reporting of violations.** An appraisal  
16 management company that has a reasonable basis to believe an  
17 appraiser has materially failed to comply with applicable laws  
18 or rules or has materially violated the Uniform Standards of  
19 Professional Appraisal Practice shall refer the matter to the  
20 director in conformance with applicable federal laws and  
21 regulations.





1           §   -Y Prohibited conduct. (a) A violation of this  
2 section may constitute grounds for discipline against an  
3 appraisal management company registered in this State; provided  
4 that nothing in this chapter shall prevent an appraisal  
5 management company from requesting an appraiser to provide  
6 additional information about the basis for a valuation, correct  
7 objective factual errors in an appraisal report, or consider  
8 additional appropriate property information.

9           (b) No employee, director, officer, agent, independent  
10 contractor, or other third party acting on behalf of an  
11 appraisal management company shall:

- 12           (1) Procure or attempt to procure a registration or  
13               renewal by knowingly making a false statement,  
14               submitting false information, or refusing to provide  
15               complete information in response to a question in an  
16               application for registration or renewal;
- 17           (2) Wilfully violate this chapter or rules adopted by the  
18               director pursuant to this chapter;
- 19           (3) Improperly influence or attempt to improperly  
20               influence the development, reporting, result, or  
21               review of an appraisal through intimidation, coercion,



- 1 extortion, bribery, or any other manner, including but  
2 not limited to:
- 3 (A) Withholding payment for appraisal services;
  - 4 (B) Threatening to exclude an appraiser from future  
5 work or threatening to demote or terminate the  
6 appraiser in order to improperly obtain a desired  
7 result;
  - 8 (C) Conditioning payment of an appraisal fee upon the  
9 opinion, conclusion, or valuation to be reached;  
10 or
  - 11 (D) Requesting that an appraiser report a  
12 predetermined opinion, conclusion, or valuation  
13 or the desired valuation of any person or entity;
- 14 (4) Alter, amend, or change an appraisal report submitted  
15 by an appraiser without the appraiser's knowledge and  
16 written consent;
- 17 (5) Except within the first ninety days after an  
18 independent appraiser is added to an appraiser panel,  
19 remove an independent appraiser from an appraiser  
20 panel without prior written notice to the appraiser;



1 provided that the prior written notice shall include  
2 the following evidence, if applicable:  
3 (A) The appraiser's illegal conduct;  
4 (B) A violation of the Uniform Standards of  
5 Professional Appraisal Practice, this chapter, or  
6 rules adopted pursuant to this chapter;  
7 (C) Improper or unprofessional conduct; or  
8 (D) Substandard performance or other substantive  
9 deficiencies;  
10 (6) Require an appraiser to sign any indemnification  
11 agreement that would require the appraiser to defend  
12 and hold harmless the appraisal management company or  
13 any of its agents or employees for any liability,  
14 damage, losses, or claims arising out of the services  
15 performed by the appraisal management company or its  
16 agents, employees, or independent contractors, and not  
17 the services performed by the appraiser;  
18 (7) Prohibit lawful communications between the appraiser  
19 and any other person who the appraiser, in the  
20 appraiser's professional judgment, believes possesses  
21 information that would be relevant;



- 1           (8) Engage in any other act or practice that impairs or
- 2                   attempts to impair a real estate appraiser's
- 3                   independence, objectivity, and impartiality;
- 4           (9) Fail to timely respond to any subpoena or other
- 5                   request for information;
- 6           (10) Fail to timely obey an administrative order of the
- 7                   director or department; or
- 8           (11) Fail to cooperate in any investigation.

9           § -Z **Disciplinary proceedings.** The director may deny,  
10 suspend, or revoke the registration of an appraisal management  
11 company; impose a monetary penalty of an amount not to exceed  
12 \$5,000 per violation; issue a letter of reprimand; refuse to  
13 issue or renew the registration of an appraisal management  
14 company; or take other disciplinary action against an appraisal  
15 management company for any one or more of the following acts or  
16 conditions:

- 17           (1) The applicant is not of a good moral character;
- 18           (2) The applicant has had a registration revoked or
- 19                   suspended for cause, or surrendered in lieu of
- 20                   disciplinary proceedings;



- 1           (3) An applicant for renewal of registration would not be  
2           eligible for such registration on a first application;
- 3           (4) The issuance of a registration would result in a  
4           violation of this chapter or any rules adopted  
5           pursuant to this chapter;
- 6           (5) In the conduct of affairs under the registration, the  
7           registrant demonstrated incompetency,  
8           untrustworthiness, or conduct or practices rendering  
9           the registrant unfit to carry on appraisal management  
10          services; made continuance in the business detrimental  
11          to the public interest; or is no longer in good faith  
12          carrying on appraisal management services, and for  
13          this conduct is found by the director to be a source  
14          of detriment, injury, or loss to the public;
- 15          (6) The appraisal management company committed any act in  
16          violation of this chapter;
- 17          (7) The appraisal management company violated any rule  
18          adopted by the department in the interest of the  
19          public and consistent with this chapter;
- 20          (8) The appraisal management company procured a  
21          registration or renewal of registration for the



1 appraisal management company or intentionally  
2 committed any other act by fraud, misrepresentation,  
3 or deceit; or

4 (9) Violation of this chapter, chapter 436B, or any rule  
5 or order of the director.

6 § -AA Fees; bond required. (a) The director may charge  
7 the appraisal management company reasonable fees to offset costs  
8 of operating the appraisal management company registration  
9 program established pursuant to this chapter. The following  
10 fees shall apply:

- 11 (1) Nonrefundable application fee: \$100;  
12 (2) Biennial registration fee: \$5,000; and  
13 (3) Biennial compliance resolution fund fee: \$500.

14 In addition, upon the issuance of a new registration and at  
15 each renewal period, each appraisal management company shall pay  
16 a special assessment fee of \$390 that shall be deposited into  
17 the compliance resolution fund established pursuant to section  
18 26-9(o). Fees assessed pursuant to this chapter shall be used  
19 to defray costs incurred by the department in implementing this  
20 chapter.



1 (b) Pursuant to section 26-9(1), the director shall  
2 establish other fees relating to the administration of this  
3 chapter by rule.

4 (c) Each appraisal management company applying for or  
5 renewing a registration shall post with the director and  
6 maintain a surety bond in the amount of \$25,000 as follows:

- 7 (1) The bond shall be in a form satisfactory to the  
8 director;
- 9 (2) The bond will accrue to the program for the benefit of  
10 a claimant against the registrant to secure the  
11 faithful performance of the registrant's obligations  
12 under applicable laws and rules and to a real estate  
13 appraiser who has performed an appraisal for the  
14 registrant for which the appraiser has not been paid;
- 15 (3) The aggregate liability of the surety shall not exceed  
16 the principal sum of the bond;
- 17 (4) A party having a claim against the registrant may  
18 bring suit directly on the surety bond, or the  
19 director may bring suit on behalf of the party having  
20 a claim against the registrant, either in one action  
21 or in successive actions;



1 (5) A claim reducing the face amount of the bond shall be  
2 annually restored upon renewal of the registrant's  
3 registration;

4 (6) The bond shall remain in effect until cancellation,  
5 which may occur only after ninety days written notice  
6 to the program. Cancellation shall not affect any  
7 liability incurred or accrued during that period; and

8 (7) Upon termination or cancellation of the bond required  
9 in this subsection, a registered appraisal management  
10 company shall file a replacement bond or shall  
11 surrender its registration to do business in the State  
12 and shall immediately cease operation as an appraisal  
13 management company in the State. A registered  
14 appraisal management company that voluntarily ceases  
15 operations in this State shall ensure a surety bond  
16 remains in place for no less than two years after the  
17 registered appraisal management company ceases  
18 operations.

19 § -BB Federal registry requirements. (a) The director  
20 shall collect from each appraisal management company registered  
21 or seeking to be registered in this State the information that





1 the Appraisal Subcommittee requires to be submitted to it by the  
2 State pursuant to regulations or guidance promulgated by the  
3 Appraisal Subcommittee.

4 (b) A federally regulated appraisal management company  
5 operating in this State shall report to the director the  
6 information required to be submitted by the State to the  
7 Appraisal Subcommittee, pursuant to the Appraisal Subcommittee's  
8 policies regarding the determination of the appraisal management  
9 company national registry fee. These reports shall include:

- 10 (1) A report to the director of the intent of the  
11 federally regulated appraisal management company to  
12 operate in this State;
- 13 (2) Information related to whether the appraisal  
14 management company is owned in whole or in part,  
15 directly or indirectly, by any person who has had an  
16 appraiser license or certificate refused, denied,  
17 canceled, surrendered in lieu of revocation, or  
18 revoked in any state for a substantive cause, as  
19 determined by the Appraisal Subcommittee; and
- 20 (3) If such person or persons has had such action taken on  
21 their appraisal license, the director shall collect



1 information related to whether the license was revoked  
2 for a substantive cause and if it has been reinstated  
3 by the state or states in which the appraiser was  
4 licensed.

5 § -CC Exemption. This chapter shall not apply to an  
6 appraiser who enters an agreement with another appraiser for the  
7 performance of an appraisal that, upon completion, results in a  
8 report signed by the appraiser who completed the appraisal and  
9 the appraiser who requested completion of the appraisal."

10 SECTION 3. Section 26H-4, Hawaii Revised Statutes, is  
11 amended to read as follows:

12 "§26H-4 Repeal dates for newly enacted professional and  
13 vocational regulatory programs. (a) Any professional or  
14 vocational regulatory program enacted after January 1, 1994, and  
15 listed in this section shall be repealed as specified in this  
16 section. The auditor shall perform an evaluation of the  
17 program, pursuant to section 26H-5, prior to its repeal date.

18 (b) Chapter 436H (athletic trainers) shall be repealed on  
19 June 30, 2018.

20 (c) Chapter 465D (behavior analysts) shall be repealed on  
21 June 30, 2021.



1           (d) Chapter (appraisal management companies) shall be  
2 repealed on June 30, 2023."

3           SECTION 4. Section 846-2.7, Hawaii Revised Statutes, is  
4 amended by amending subsection (b) to read as follows:

5           "(b) Criminal history record checks may be conducted by:

6           (1) The department of health or its designee on operators  
7 of adult foster homes for individuals with  
8 developmental disabilities or developmental  
9 disabilities domiciliary homes and their employees, as  
10 provided by section 321-15.2;

11           (2) The department of health or its designee on  
12 prospective employees, persons seeking to serve as  
13 providers, or subcontractors in positions that place  
14 them in direct contact with clients when providing  
15 non-witnessed direct mental health or health care  
16 services as provided by section 321-171.5;

17           (3) The department of health or its designee on all  
18 applicants for licensure or certification for,  
19 operators for, prospective employees, adult  
20 volunteers, and all adults, except adults in care, at  
21 healthcare facilities as defined in section 321-15.2;



- 1           (4) The department of education on employees, prospective  
2           employees, and teacher trainees in any public school  
3           in positions that necessitate close proximity to  
4           children as provided by section 302A-601.5;
- 5           (5) The counties on employees and prospective employees  
6           who may be in positions that place them in close  
7           proximity to children in recreation or child care  
8           programs and services;
- 9           (6) The county liquor commissions on applicants for liquor  
10          licenses as provided by section 281-53.5;
- 11          (7) The county liquor commissions on employees and  
12          prospective employees involved in liquor  
13          administration, law enforcement, and liquor control  
14          investigations;
- 15          (8) The department of human services on operators and  
16          employees of child caring institutions, child placing  
17          organizations, and foster boarding homes as provided  
18          by section 346-17;
- 19          (9) The department of human services on prospective  
20          adoptive parents as established under section  
21          346-19.7;



- 1       (10) The department of human services or its designee on  
2            applicants to operate child care facilities, household  
3            members of the applicant, prospective employees of the  
4            applicant, and new employees and household members of  
5            the provider after registration or licensure as  
6            provided by section 346-154, and persons subject to  
7            section 346-152.5;
- 8       (11) The department of human services on persons exempt  
9            pursuant to section 346-152 to be eligible to provide  
10           child care and receive child care subsidies as  
11           provided by section 346-152.5;
- 12       (12) The department of health on operators and employees of  
13           home and community-based case management agencies and  
14           operators and other adults, except for adults in care,  
15           residing in community care foster family homes as  
16           provided by section 321-15.2;
- 17       (13) The department of human services on staff members of  
18           the Hawaii youth correctional facility as provided by  
19           section 352-5.5;
- 20       (14) The department of human services on employees,  
21           prospective employees, and volunteers of contracted



1 providers and subcontractors in positions that place  
2 them in close proximity to youth when providing  
3 services on behalf of the office or the Hawaii youth  
4 correctional facility as provided by section 352D-4.3;  
5 (15) The judiciary on employees and applicants at detention  
6 and shelter facilities as provided by section 571-34;  
7 (16) The department of public safety on employees and  
8 prospective employees who are directly involved with  
9 the treatment and care of persons committed to a  
10 correctional facility or who possess police powers  
11 including the power of arrest as provided by section  
12 353C-5;  
13 (17) The board of private detectives and guards on  
14 applicants for private detective or private guard  
15 licensure as provided by section 463-9;  
16 (18) Private schools and designated organizations on  
17 employees and prospective employees who may be in  
18 positions that necessitate close proximity to  
19 children; provided that private schools and designated  
20 organizations receive only indications of the states



1 from which the national criminal history record  
2 information was provided pursuant to section 302C-1;  
3 (19) The public library system on employees and prospective  
4 employees whose positions place them in close  
5 proximity to children as provided by section  
6 302A-601.5;  
7 (20) The State or any of its branches, political  
8 subdivisions, or agencies on applicants and employees  
9 holding a position that has the same type of contact  
10 with children, vulnerable adults, or persons committed  
11 to a correctional facility as other public employees  
12 who hold positions that are authorized by law to  
13 require criminal history record checks as a condition  
14 of employment as provided by section 78-2.7;  
15 (21) The department of health on licensed adult day care  
16 center operators, employees, new employees,  
17 subcontracted service providers and their employees,  
18 and adult volunteers as provided by section 321-15.2;  
19 (22) The department of human services on purchase of  
20 service contracted and subcontracted service providers  
21 and their employees serving clients of the adult



1 protective and community services branch, as provided  
2 by section 346-97;

3 (23) The department of human services on foster grandparent  
4 program, senior companion program, and respite  
5 companion program participants as provided by section  
6 346-97;

7 (24) The department of human services on contracted and  
8 subcontracted service providers and their current and  
9 prospective employees that provide home and community-  
10 based services under section 1915(c) of the Social  
11 Security Act, title 42 United States Code section  
12 1396n(c), or under any other applicable section or  
13 sections of the Social Security Act for the purposes  
14 of providing home and community-based services, as  
15 provided by section 346-97;

16 (25) The department of commerce and consumer affairs on  
17 proposed directors and executive officers of a bank,  
18 savings bank, savings and loan association, trust  
19 company, and depository financial services loan  
20 company as provided by section 412:3-201;





- 1       (26) The department of commerce and consumer affairs on
- 2             proposed directors and executive officers of a
- 3             nondepository financial services loan company as
- 4             provided by section 412:3-301;
  
- 5       (27) The department of commerce and consumer affairs on the
- 6             original chartering applicants and proposed executive
- 7             officers of a credit union as provided by section
- 8             412:10-103;
  
- 9       (28) The department of commerce and consumer affairs on:
- 10            (A) Each principal of every non-corporate applicant
- 11            for a money transmitter license;
- 12            (B) The executive officers, key shareholders, and
- 13            managers in charge of a money transmitter's
- 14            activities of every corporate applicant for a
- 15            money transmitter license; and
- 16            (C) The persons who are to assume control of a money
- 17            transmitter licensee in connection with an
- 18            application requesting approval of a proposed
- 19            change in control of licensee,
- 20            as provided by sections 489D-9 and 489D-15;



- 1           (29) The department of commerce and consumer affairs on  
2           applicants for licensure and persons licensed under  
3           title 24;
- 4           (30) The Hawaii health systems corporation on:
- 5           (A) Employees;
- 6           (B) Applicants seeking employment;
- 7           (C) Current or prospective members of the corporation  
8           board or regional system board; or
- 9           (D) Current or prospective volunteers, providers, or  
10          contractors,
- 11          in any of the corporation's health facilities as  
12          provided by section 323F-5.5;
- 13          (31) The department of commerce and consumer affairs on:
- 14          (A) An applicant for a mortgage loan originator  
15          license; and
- 16          (B) Each control person, executive officer, director,  
17          general partner, and manager of an applicant for  
18          a mortgage loan originator company license,  
19          as provided by chapter 454F;
- 20          (32) The state public charter school commission or public  
21          charter schools on employees, teacher trainees,



1 prospective employees, and prospective teacher  
2 trainees in any public charter school for any position  
3 that places them in close proximity to children, as  
4 provided in section 302D-33;

5 (33) The counties on prospective employees who work with  
6 children, vulnerable adults, or senior citizens in  
7 community-based programs;

8 (34) The counties on prospective employees for fire  
9 department positions which involve contact with  
10 children or vulnerable adults;

11 (35) The counties on prospective employees for emergency  
12 medical services positions which involve contact with  
13 children or vulnerable adults;

14 (36) The counties on prospective employees for emergency  
15 management positions and community volunteers whose  
16 responsibilities involve planning and executing  
17 homeland security measures including viewing,  
18 handling, and engaging in law enforcement or  
19 classified meetings and assisting vulnerable citizens  
20 during emergencies or crises;



1 (37) The State and counties on employees, prospective  
2 employees, volunteers, and contractors whose position  
3 responsibilities require unescorted access to secured  
4 areas and equipment related to a traffic management  
5 center;

6 (38) The State and counties on employees and prospective  
7 employees whose positions involve the handling or use  
8 of firearms for other than law enforcement purposes;

9 (39) The State and counties on current and prospective  
10 systems analysts and others involved in an agency's  
11 information technology operation whose position  
12 responsibilities provide them with access to  
13 proprietary, confidential, or sensitive information;

14 (40) The department of commerce and consumer affairs on  
15 [~~applicants~~]:

16 (A) Applicants for real estate appraiser licensure or  
17 certification as provided by chapter 466K;

18 (B) Each person who owns more than ten per cent of an  
19 appraisal management company who is applying for  
20 registration as an appraisal management company,  
21 as provided by section -H; and



1            (C) Each of the controlling persons of an applicant  
2            for registration as an appraisal management  
3            company, as provided by section -H;

4            (41) The department of health or its designee on all  
5            license applicants, licensees, employees, contractors,  
6            and prospective employees of medical marijuana  
7            dispensaries, and individuals permitted to enter and  
8            remain in medical marijuana dispensary facilities as  
9            provided under sections 329D-15(a)(4) and  
10           329D-16(a)(3);

11           (42) The department of commerce and consumer affairs on  
12           applicants for nurse licensure or license renewal,  
13           reactivation, or restoration as provided by sections  
14           457-7, 457-8, 457-8.5, and 457-9;

15           [+] (43) [+] The county police departments on applicants for  
16           permits to acquire firearms pursuant to section 134-2  
17           and on individuals registering their firearms pursuant  
18           to section 134-3;

19           [+] (44) [+] The department of commerce and consumer affairs on:  
20           (A) Each of the controlling persons of the applicant  
21           for licensure as an escrow depository, and each



1 of the officers, directors, and principals who  
2 will be in charge of the escrow depository's  
3 activities upon licensure; and

4 (B) Each of the controlling persons of an applicant  
5 for proposed change in control of an escrow  
6 depository licensee, and each of the officers,  
7 directors, and principals who will be in charge  
8 of the licensee's activities upon approval of  
9 such application,

10 as provided by chapter 449; and

11 [†] (45) [†] Any other organization, entity, or the State, its  
12 branches, political subdivisions, or agencies as may  
13 be authorized by state law."

14 SECTION 5. The department of commerce and consumer affairs  
15 may employ necessary personnel without regard to chapter 76,  
16 Hawaii Revised Statutes, to assist with the implementation and  
17 continuing functions of this Act.

18 SECTION 6. There is appropriated out of the compliance  
19 resolution fund established pursuant to section 26-9(o), Hawaii  
20 Revised Statutes, the sum of \$ or so much thereof as may



1 be necessary for fiscal year 2018-2019 to implement the  
2 appraisal management company registration program.

3 The sum appropriated shall be expended by the department of  
4 commerce and consumer affairs for the purposes of this Act.

5 SECTION 7. The provisions of this Act shall be enforced to  
6 the extent they are not held to conflict with any federal law.  
7 If any provision of this Act is held in conflict with any  
8 federal law, this Act in its entirety, shall be invalid.

9 SECTION 8. In codifying the new sections added by section  
10 2 of this Act, the revisor of statutes shall substitute  
11 appropriate section numbers for the letters used in designating  
12 the new sections in this Act.

13 SECTION 9. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15 SECTION 10. This Act shall take effect on July 1, 2090;  
16 provided that section 6 of this Act shall take effect on July 1,  
17 2050.



S.B. NO. 390  
S.D. 2  
H.D. 1

**Report Title:**

Appraisal Management Companies; Registration; Appraisal Management Company Registration Program; Real Property; Appropriation

**Description:**

Establishes an Appraisal Management Company Registration Program (Program) within the Department of Commerce and Consumer Affairs (DCCA) to conform to minimum standards established under federal law and regulations. Establishes registration requirements, standards, and penalties for violations. Appropriates funds to the DCCA for costs associated with the Program. (SB390 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

