

# MEMO

**To:** Real Estate Appraisal Board

**From:** James R. Stoll

**Subject:** AMC Regulations – Idaho Real Estate Appraisal Board

**Date:** 6/5/2009 June 5, 2009

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The majority of regulations enacted for Appraisal Management Companies (AMC's) modify the state's existing Appraisal Regulation Act to include the company aspect. This is usually incorporated into existing state appraisal boards or state real estate commissions. In a few states, this includes a statutorily formed board specifically assigned to AMC's.

The Appraisal Institute drafted a model set of provisions to govern AMC's. These model provisions specifically mention a "Board" as being in charge of regulation, but do not suggest a state agency or division that should take that responsibility. It just defines the "Board" (or Commission, Office, Council, etc.) as the "state agency with responsibility for licensing real estate appraisers."<sup>1</sup>

The American Society of Appraisers suggested AMC provisions to Congress specify that "the activities and operations of appraisal management companies (or other third party providers of appraisals or appraisal management services) are being effectively supervised by state appraiser licensing agencies in a way which promotes compliance with Title XI's requirements, goals and purposes. The AMC amendments do NOT result in direct federal regulation of AMCs. Instead, it makes state supervision of AMCs a specific factor in the determination, by the federal Appraisal Subcommittee, of whether a state's appraiser certification and licensing system meets Title XI requirements."<sup>2</sup>

Currently, there are existing laws in Arkansas, New Mexico, and Utah that govern AMC's. There is pending legislation for AMC's in California, Florida, Hawaii, Illinois, Minnesota, Missouri, Nevada, and North Carolina.

Most of the boards created by these AMC regulation acts are not detailed in the legislation themselves. It seems that the legislatures have given discretion to the governing agency as to the specifics of the AMC regulation board.

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<sup>1</sup> <http://www.appraisalinstitute.org/newsadvocacy/downloads/ModelProvisionsAMC.pdf>

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[http://www.magnetmail.net/actions/email\\_web\\_version.cfm?recipient\\_id=138616816&message\\_id=710125&user\\_id=ASA\\_](http://www.magnetmail.net/actions/email_web_version.cfm?recipient_id=138616816&message_id=710125&user_id=ASA_)

In Utah, a law from the recently completed legislative session has just gone into effect which specifically regulates Appraisal Management Companies. The act actually establishes a new board under the Securities Division (specifically, the Real Estate Division) of the state government. The act establishes a board made up of five governor appointed and senate approved members: “one state-licensed or state-certified appraiser who may be either a residential or general licensee or certificate holder, one state-certified residential appraiser, one state-certified general appraiser, one member who is certified as either a state-certified residential appraiser or a state-certified general appraiser, and one member of the general public.”<sup>3</sup>

<b>STATE</b>	<b>STATUS OF LEGISLATION</b>	<b>GOVERNING AUTHORITY</b>	<b>SPECIFICALLY CREATED BOARD</b>
<b>Arkansas<sup>4</sup></b>	Enacted	State Real Estate Appraiser Board	Yes
<b>California</b>	Pending	State Real Estate Appraisers	Not by statute
<b>Florida</b>	Pending	Florida Real Estate Appraisal Board	Yes
<b>Hawaii</b>	Pending	State Real Estate Commission	Not by statute
<b>Illinois</b>	Pending	State Department of Financial and Professional Regulation	Not by statute
<b>Minnesota</b>	Pending	State Commissioner of Commerce	Not by statute
<b>Missouri</b>	Pending	State Real Estate Appraisers Commission	Not by statute
<b>Nevada</b>	Pending	State Real Estate Commission	Not by statute
<b>New Mexico<sup>5</sup></b>	Enacted	State Real Estate Appraisal Board	Yes
<b>North Carolina</b>	Pending	North Carolina Appraisal Board	No
<b>Utah</b>	Enacted	State Securities Division - Real Estate Division	Yes

<sup>3</sup> 61 Utah Code §2b(7). <http://www.le.utah.gov/UtahCode/getCodeSection?code=61-2b-7>.

<sup>4</sup> Makkar, Aman. Utah, Arkansas Governors Sign Nation’s First AMC Laws. April 1, 2009. <http://blog.appraiserloft.com/?p=33>.

<sup>5</sup> Specifics are still being established. <http://www.rld.state.nm.us/RealEstateAppraisers/index.html>.