
 DIGEST

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SB 222 Reengrossed

2022 Regular Session

Lambert

Present law defines "appraisal management company" as any corporation, partnership, sole proprietorship, subsidiary, unit, or other business entity that engages in the following:

- (1) Administering a network of independent contract appraisers to perform services.
- (2) Receiving requests for residential appraisal services and entering into agreements with independent contract appraisers to perform services.

Proposed law redefines an "appraisal management company" as any third-party that oversees a network panel of more than 15 licensed appraisers in this state or 25 or more licensed appraisers in 2 or more states and is authorized by a creditor of a consumer credit transaction secured by a consumer's principal dwellings or by an underwriter of, or other principal in, the secondary mortgage markets to do the following:

- (1) Recruit, select, contract with, or retain an appraiser to perform an appraisal and to verify any work performed by the appraiser.
- (2) Manage the process of having an appraisal performed.

Present law provides that an appraisal management company applying for a license may not be owned by any person who has had a license or certificate to act as an appraiser, real estate broker or agent, or mortgage originator, which combined are considered to be "real estate or lending-related licenses", refused, denied, suspended, canceled, or revoked in the past in any state without specific approval by the licensing board.

Proposed law adds that an appraisal management company applying for a license may not be owned by any person who has had a real estate or lending-related license surrendered in lieu of revocation in any state.

Present law requires any licensed appraisal management company with an owner or employee whose real estate or lending-related license has been suspended, revoked, or canceled subsequent to being registered to notify the board within 10 days. Proposed law retains and applies present law to any licensed appraisal management company with an owner or employee whose real estate or lending-related license has been refused, denied, or surrendered in lieu of revocation.

Present law requires a person with an ownership interest in an appraisal management company to certify that he has never had a license to act as an appraiser refused, denied, canceled, suspended, or revoked in this state or any other state. Proposed law retains present law and further requires such person to certify that he has never had a license to act as an appraiser surrendered in lieu of revocation in this state or any other state.

Present law requires a person serving as a controlling person of an appraisal management company to certify to the board that such person's certificate or license has never been refused, denied, canceled, suspended, or revoked in this state or any other state. Proposed law retains present law and further requires such person to certify that he has never had a license to act as an appraiser surrendered in lieu of revocation in this state or any other state.

Present law provides that within the first 30 days after an independent appraiser is added to the appraisal panel, an appraisal management company may not remove an appraiser from its appraisal panel or refuse to assign requests for appraisals without doing the following:

- (1) Providing written notification of reasons why the appraiser is being removed.
- (2) Providing an opportunity for the appraiser to respond to the written notification.

Proposed law makes a technical correction to change "may" to "shall" to reflect the intent of present law. Otherwise retains present law.

Present law, relative to licensing and renewals, expires on December 31, 2022. Proposed law extends the expiration date in present law from December 31, 2022, to December 31, 2026.

Proposed law prohibits any appraisal management company that does not meet the minimum qualifications established by federal law (12 U.S.C. 3350(11)) from inclusion in the National Registry of Appraisal Management Companies.

Proposed law provides that in accordance with federal law (12 U.S.C. 221 et seq.), the provisions of present and proposed law do not apply to any entity which is subsidiary-owned and controlled by a federal financial institution regulatory agency.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 37.3415.2(2), 3415.8(A), (C), and (E)(3), 3415.9(B)(1), 3415.10(D), and 3415(18)(A)(intro. para.); Adds R.S. 37:3415.22(C))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Make technical amendments.
2. Changes definition of "appraisal management company" from any third-party that oversees 25 or more licensed appraisers nationally to any third-party that oversees 25 or more licensed appraisers in two or more states.

Senate Floor Amendments to engrossed bill

1. Makes technical corrections.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the reengrossed bill:

1. Make technical changes.