

Committee on Regulated Industries

CS/CS/HB 927 — Real Estate Appraisers

by Commerce Committee; Careers and Competition Subcommittee; and Rep. Rommel (CS/CS/SB 716 by Appropriations Committee; Regulated Industries Committee; and Senator Passidomo)

The bill revises Florida law to implement registration and supervision systems for appraisal management companies to meet minimum requirements for such companies established by federal rule. An appraisal management company is an entity that serves as an intermediary and provides certain prescribed services to creditors. Implementation of a registration system for appraisal management companies that satisfies federal requirements will allow eligible persons and appraisal management companies licensed in Florida to continue to perform appraisal services for federally related transactions.

The bill:

- Defines or revises definitions of the terms “appraisal management company” “appraisal panel,” “covered transaction,” “evaluation,” “federally regulated appraisal management company,” “order file,” and “secondary mortgage market participant,” to conform to the final federal rule that establishes standards for appraisal management companies;
- Requires, as part of the implementation of a federally-compliant registration system for appraisal management companies, the Department of Business and Professional Regulation (DBPR) to collect data and required fees, and to transmit a roster, no less than annually, listing the persons or companies that hold a valid state registration as an appraisal management company to a federal appraisal subcommittee, consisting of federal financial institution regulatory agencies.
- Removes the authority currently granted to the Florida Real Estate Appraisal Board (board) to qualify a person who is otherwise disqualified for licensure, if it appears to the board, because of lapse of time and subsequent good conduct and reputation, or other reason deemed sufficient, that the interest of the public is not likely to be endangered by the granting of registration.
- Allows the board to deny the renewal of the registration of an appraisal management company based on disciplinary action against the licensee, rather than limiting denial to the initial application for licensure.
- Authorizes the board to deny an application for registration or renewal of a registration or to reprimand or fine an appraisal management company that has required or attempted to require clients to sign any indemnification agreement that would require a client to hold harmless the appraisal management company or its owners, agents, or employees, from any liability, damage, loss, or claim arising from the services performed by an appraiser.
- Permits an appraiser to perform an evaluation of real property in connection with a federally regulated real estate financial transaction, and requires the appraiser comply with the standards for evaluation imposed by the federal financial institutions regulatory agency and other standards as prescribed by the board.
- Grants authority to the board to adopt rules to establish standards of practice for nonfederal transactions; and

- Requires the board mandate compliance with the Ethics and Competency Rules of the standards adopted by the Appraisal Standards Board of the Appraisal Foundation for all appraisals other than those in a federal transaction.

Additionally, the bill allows distance learning courses for real estate practice coursework required for initial licensure as a real estate broker or sales associate, repeals duplicative post licensure education requirements for trainee appraisers, and removes obsolete language.

If approved by the Governor, these provisions take effect October 1, 2017.

Vote: Senate 35-0; House 115-0