

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 927 Real Estate Appraisers  
**SPONSOR(S):** Careers & Competition Subcommittee, Rommel  
**TIED BILLS:** IDEN./SIM. **BILLS:** SB 716

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Careers & Competition Subcommittee	12 Y, 0 N, As CS	Brackett	Anstead
2) Government Operations & Technology Appropriations Subcommittee	12 Y, 0 N	Helpling	Topp
3) Commerce Committee			

### SUMMARY ANALYSIS

The Florida Real Estate Commission (FREC) and the Florida Real Estate Appraisal Board (FREAB) regulate real estate appraisal and administer and enforce Florida's real estate appraiser licensing laws and national uniform standards of professional appraisal practice. The state also licenses and regulates Appraisal Management Companies (AMC).

In order to meet state requirements established by the federal government in the Dodd-Frank Act, the bill adopts provisions set out by recently adopted federal rules relating to state regulation of AMCs.

The bill:

- Defines the following terms to mirror federal definitions: "appraisal panel", "covered transaction", "secondary mortgage market participant", and "federally regulated appraisal management company."
- Defines the term "order file," which is used but not currently defined in Florida Statutes.
- Defines the term "evaluation," which is used by federal agencies.
- Requires FREAB to annually report to the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council a roster listing individuals or companies that hold a valid state registration as an AMC.
- Requires FREAB to collect an annual fee, established by the board, from AMCs that perform or seek to perform appraisal management services in covered transactions in the state, and from federally regulated AMCs, and transmit the annual fee to the ASC.
- Eliminates a current exemption that allowed an unqualified person deemed by the board not to endanger the public to be qualified to manage an AMC.
- Registration requirements for AMCs do not apply to federally regulated AMCs.
- Provides that appraisers may perform evaluations for federally regulated real estate transactions.
- Provides that FREAB may adopt additional standards of practice.
- Requires appraisers to follow the Appraisal Foundation's ethics rules for non-federally related appraisals.
- Provides that appraisal assignments that use standards of practice that are not adopted by FREAB do not count towards the experience requirement for licensure.
- Repeals postlicensure educational requirements in order for a registered trainee appraiser to maintain a valid registration.
- Repeals the option for real estate schools to teach initial licensure courses by video-tape.

The bill does not have a fiscal impact on local or state government. The Department of Business and Professional Regulation will collect the AMC fees and transmit them to the federal Appraisal Subcommittee. See *Fiscal Analysis & Economic Impact Statement*.

The bill provides an effective date of October 1, 2017.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0927c.GOT

DATE: 3/28/2017

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Present Situation

The Florida Real Estate Commission (FREC), within the Division of Real Estate (Division), within the Department of Business and Professional Regulation (DBPR) administers and enforces the real estate license law, ch. 475, Part I, F.S. The FREC is also empowered to adopt rules that enable it to implement its statutorily authorized duties and responsibilities. The rules are contained in ch. 61J2, F.A.C.

The Florida Real Estate Appraisal Board (FREAB), within the Division, administers and enforces the real estate appraiser license law within Florida, in conjunction with standards promulgated by the Appraisal Foundation. The Appraisal Foundation is composed of over eighty organizations, corporations, and government agencies that provide guidelines for uniform standards for appraisers and appraisals. The Appraisal Standards Board within the Foundation adopts the Uniform Standards of Professional Appraisal Practice (USPAP) which is recognized throughout the nation as the generally accepted standards of professional appraisal practice.<sup>1</sup>

The rules and licensing requirements of the FREAB, and the standards of the USPAP, provide guidance for appraisers, appraisals, and appraisal management companies (AMC) throughout the nation.

##### *Appraisers*

Real estate appraisers specialize in estimating the value of real property. Appraisals are made when property is bought, sold, assessed, taxed, condemned, insured, or mortgaged. Real estate appraisers:

- Prepare a written description of the property and make an estimate of its value;
- Obtain land values from county sources and sales information about nearby properties;
- Estimate building replacement costs using building valuation manuals and professional cost estimators;
- Verify legal descriptions of property by county records, measure the property and compare the measurements with the legal descriptions;
- Draw land diagrams and note conditions and special features of buildings; and
- Analyze and evaluate the data and prepare a written report outlining methods by which the fair-market value was estimated.

Individual real estate appraisers are regulated under ch. 475, Part II, F.S., by the FREAB. Appraisers are classified as registered trainee real estate appraiser, licensed real estate appraiser, or a certified real estate appraiser.<sup>2</sup>

Prior to 2010, an appraiser received an order from a real estate agent, lender, or mortgage broker to inspect a property. Based on an inspection of the home and comparable sales in the area, the appraiser developed an estimated value for the property used by banks to set the home's value as collateral for the mortgage loan. Appraisers are supposed to arrive at a value that is free from improper influence.

However, during the 2005-2007 real estate boom, pressure was placed on real estate appraisers to inflate home values which sometimes led to valuations in support of loans that were more than buyers could afford.

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<sup>1</sup> The Appraisal Foundation, *What is USPAP?*,

[http://www.appraisalfoundation.org/imis/TAF/Standards/Appraisal\\_Standards/Uniform\\_Standards\\_of\\_Professional\\_Appraisal\\_Practice/TAF/USPAP.aspx?hkey=a6420a67-dbf4-41b3-9878-fac35923d2af](http://www.appraisalfoundation.org/imis/TAF/Standards/Appraisal_Standards/Uniform_Standards_of_Professional_Appraisal_Practice/TAF/USPAP.aspx?hkey=a6420a67-dbf4-41b3-9878-fac35923d2af) (last visited March 12, 2017).

<sup>2</sup> Section 475.611(1)(h), F.S.

## *Appraisal Management Companies*

In 2010, the Legislature created Appraisal Management Companies. Appraisal Management Companies (AMC) are business entities that administer networks of independent appraisers to fulfill real estate appraisal assignments on behalf of lenders. AMCs have groups of appraisers from which they hire appraisers, which are called appraiser panels.<sup>3</sup> A real estate agent, lender, or mortgage broker is able to contract with an AMC who will provide an independent appraiser to estimate the value of the property.

In 2015, in an effort to comply with pending federal rules under the Dodd-Frank Act, the Legislature enacted requirements requiring that each AMC prepare and retain an order file for each appraisal, appraisal review, or appraisal consulting assignment. The order file must contain:

- Original or true copies of any contracts engaging the appraiser's services;
- Appraisal reports;
- Any engagement material or instructions from the client; and
- All documents required by the standards for the development or communication of a real estate appraisal as approved and adopted by the Appraisal Standards Board of the Appraisal Foundation, as established by rule of the board.

General contracts and materials pertaining to the impaneling of an appraiser are required to be retained but are not required to be maintained in the order file. The work file and order file must be maintained for at least 5 years, or for a greater period if specified by the USPAP. Additionally, in accordance with administrative rules adopted by the board, an appraisal management company must also retain:

- Company accounts;
- Correspondence;
- Memoranda;
- Papers;
- Books; and
- Other records.<sup>4</sup>

Any person who possesses the authority to direct the management or policies of the AMC must be competent and qualified to engage in appraisal management services with safety to the general public and those with whom the person may undertake a relationship of trust and confidence.<sup>5</sup>

A person shall be deemed not to be qualified to direct the management or policies of an AMC if any person's license to practice any profession, business, or vocation has been revoked or suspended because of any conduct that would have warranted discipline by the board, or if the person has been guilty of conduct that would have been grounds for disciplining the person's appraisal license. However, if because of lapse of time, subsequent good conduct, and reputation, or other sufficient reason, it appears to the board that the public is not likely to be endangered, then the person can be qualified by the board to direct the management or policies of an AMC.<sup>6</sup>

The board also requires postlicensure educational requirements in order for a registered trainee appraiser to maintain a valid registration.<sup>7</sup> The postlicensure requirements are in addition to required continuing education.<sup>8</sup>

## *Appraisal Subcommittee*

The Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council was created in 1989, pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989

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<sup>3</sup> s. 475.611(1)(c)(i), F.S.

<sup>4</sup> s. 475.629, F.S.

<sup>5</sup> s. 475.6235(2)(f) and (5), F.S.

<sup>6</sup> *Id.*

<sup>7</sup> s. 475.6175, F.S.

<sup>8</sup> Department of Business & Professional Regulation, Agency Analysis of 2017 Senate Bill 716, p. 2 (Feb. 28, 2017).

(FIRREA). The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) amended several sections of Title 11 of FIRREA.<sup>9</sup> The Appraisal Subcommittee is the federal agency charged with oversight of the states' appraisal regulatory programs. It is responsible for monitoring and reviewing the activities of the Appraisal Foundation and its three boards. The Appraisal Subcommittee oversees Florida's appraiser regulatory program.<sup>10</sup>

DBPR reports annually to the ASC a roster listing the individuals who hold valid state appraiser license or certification. DBPR also collects an annual fee from all individuals who perform or seek to perform appraisals in federally related transactions. DBPR submits the annual fee to the ASC.<sup>11</sup>

A federally related transaction is any real estate-related financial transaction which a federal financial institution, regulatory agency or the Resolution Trust Corporation is involved in, and which requires the services of a state-licensed or state-certified appraiser.<sup>12</sup>

### *The Dodd-Frank Act*

On July 21, 2010, Congress passed the Dodd-Frank Act to "promote the financial stability of the United States by improving accountability and transparency in the financial system, to end 'too big to fail,' to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes."<sup>13</sup>

Dodd-Frank established minimum requirements for the registration and supervision of AMCs that apply to the states.<sup>14</sup> As a result, federal agencies promulgated rules to implement these requirements. The final rule became effective on August 10, 2015.

States have 36 months to implement the minimum requirements established by the rule. States are not required to meet the requirements of the rule, and no penalty will be imposed on a state that does not establish the requirements in the rule. However, AMCs will be barred from providing AMC services for federally related transactions in that state. This does not apply to individual appraisers, federally regulated AMCs, and AMCs that have 15 or less appraisers in a state or less than 25 appraisers in multiple states.

Federally regulated AMCs differ from regular AMCs because federally regulated AMCs are owned and controlled by banks, and regulated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation.<sup>15</sup>

The minimum requirements set by Dobb-Frank require states to require AMCs to:

- Register with, and be subject to supervision by, the state appraiser certifying and licensing agency in the state or states in which the AMC operates.
- Verify that only state-certified or state-licensed appraisers are used for federally related transactions.
- Require that appraisals comply with USPAP.
- Require that appraisals are conducted in accordance with the statutory valuation independence standards pursuant to the Truth in Lending Act and its implementing regulations.<sup>16</sup>

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<sup>9</sup> See Appraisal Subcommittee Federal Financial Institutions Examination Council, *ASC History*, <https://www.asc.gov/About-the-ASC/ASCHistory.aspx> (last visited on March 11, 2017). See also s. 475.611(1)(b), F.S.

<sup>10</sup> 12 U.S.C. s. 3332(b)

<sup>11</sup> s. 475.621, F.S.

<sup>12</sup> s. 475.611(1)(p), F.S.

<sup>13</sup> 124 U.S.C. §1376 (2017)

<sup>14</sup> 12 C.F.R. 34.210 (2017).

<sup>15</sup> 12 C.F.R. 34.211 (2017).

<sup>16</sup> Federal Register/ Vol. 80, No. 110, Minimum Requirements for Appraisal Management Companies, June 9, 2015, available at <https://www.asc.gov/documents/othercorrespondence/final%20rule%20for%20minimum%20requirements%20for%20amcs.pdf> (last visited March 11, 2017).

As a result, of these minimum requirements federal agencies promulgated federal rules 12 C.F.R. §34.210-§34.216. The final rules require states to:

- Determine whether an AMC oversees an appraiser panel of more than 15 state certified or state licensed appraisers or 25 or more state-certified or state-licensed appraisers in two or more states. States determine AMC size by deeming an appraiser is part of an AMC panel on the earliest date on which the AMC:
  - Accepts the appraiser for the AMC's consideration for future appraisal assignments in covered transactions or for secondary mortgage market participants in connection with covered transactions, or
  - Engages the appraiser to perform one or more appraisals on behalf of a creditor for a covered transaction or secondary mortgage market participant in connection with covered transactions.

An appraiser who is deemed part of the AMC's appraiser panel is deemed to remain on the panel until the date on which the AMC:

- Sends written notice to the appraiser removing the appraiser from the appraiser panel, with an explanation of its action, or
- Receives written notice from the appraiser asking to be removed from the appraiser panel or notice of the death or incapacity of the appraiser.

If an appraiser is removed from an AMC's appraiser panel, but the AMC subsequently accepts the appraiser for consideration for future assignments or engages the appraiser at any time during the twelve months after the AMC's removal, the removal will be deemed not to have occurred, and the appraiser will be deemed to have been part of the AMC's appraiser panel without interruption.

The period for purposes of counting appraisers on an AMC's appraiser panel may be the calendar year or a 12-month period established by law or rule of each state with which the AMC is required to register.<sup>17</sup>

- Establish and maintain within the state appraiser certifying and licensing agency a licensing program with the authority to:
  - Review and approve or deny an AMC's application for initial registration.
  - Review and renew or deny an AMC's registration periodically.
  - Examine the books and records of an AMC operating in the state and require the AMC to submit reports, information, and documents.
  - Verify that the appraisers on the AMC's appraiser panel hold valid state certifications or licenses.
  - Conduct investigations of AMCs to assess potential violations of applicable appraisal-related laws, regulations, or orders.
  - Discipline, suspend, revoke, or deny renewal of the registration of an AMC that violates applicable appraisal-related laws, regulations, or orders.
  - Report an AMC's violation of applicable appraisal related laws, regulations, or orders, as well as disciplinary and enforcement actions and other relevant information about an AMC's operations to the ASC.
  - Impose requirements on AMCs that are not owned and controlled by an insured depository institution and not regulated by a federal financial institutions regulatory agency to:
    - Register with and be subject to supervision by the state appraiser certifying and licensing agency.
    - Engage only state-certified or state-licensed appraisers for federally related transactions in conformity with any federally related transaction regulations;
    - Establish and comply with processes and controls reasonably designed to ensure that the AMC, in engaging an appraiser, selects an appraiser who is independent of the transaction and who has the requisite education, expertise, and experience necessary to complete the appraisal assignment for the particular market and property type;
    - Direct the appraiser to perform the assignment in accordance with USPAP; and

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<sup>17</sup> 12 C.F.R. § 34.212 (2017).  
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- Establish and comply with processes and controls reasonably designed to ensure that the AMC conducts its appraisal management services in accordance with the requirements of s. 129E(a) through (i) of the Truth in Lending Act, 15 U.S.C. §1639e(a) through (i), and regulations thereunder.<sup>18</sup>
- An AMC subject to state registration shall not be registered by a state or included on the AMC National Registry if such AMC, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any state for a substantive cause, as determined by the appropriate state appraiser certifying and licensing agency.
  - An AMC subject to state registration pursuant to 12 C.F.R. § 34.213 is not barred from being registered by a state or included on the AMC National Registry if the license or certificate of the appraiser with an ownership interest was not revoked for a substantive cause and has been reinstated by the state or states in which the appraiser was licensed or certified.
  - An AMC shall not be registered by a state if any person that owns more than 10 percent of the AMC is determined by the state appraiser certifying and licensing agency not to have good moral character; or fails to submit to a background investigation carried out by the state appraiser certifying and licensing agency.<sup>19</sup>
- A federally regulated AMC shall not be included on the AMC National Registry if such AMC, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any state for a substantive cause, as determined by the Appraisal Subcommittee.
  - A federally regulated AMC is not barred by § 34.215(b) from being included on the AMC National Registry if the license or certificate of the appraiser with an ownership interest was not revoked for a substantive cause and has been reinstated by the state or states in which the appraiser was licensed or certified.
  - A federally regulated AMC must report to the state or states in which it operates the information required to be submitted by the state to the Appraisal Subcommittee, pursuant to the Appraisal Subcommittee's policies regarding the determination of the AMC National Registry fee, including but not necessarily limited to the collection of information related to the limitations set forth in 12 C.F.R. § 34.215, as applicable.<sup>20</sup>
- Evaluations rather than appraisals by state licensed appraisers are required by banks for all real estate financial transactions that are:
  - \$250,000 or less in value;
  - A business loan with a value of less than \$1 million, and the primary source of repayment is not dependent on the sale of or rental income derived from the real estate; or
  - Involve an existing extension of credit at the bank where there has been no obvious and material change in market conditions or physical aspects of the property that threatens the adequacy of the bank's real estate collateral protection after the transaction.<sup>21</sup>
- Each state electing to register AMCs for purposes of permitting AMCs to provide appraisal management services relating to covered transactions in the state must submit to the Appraisal Subcommittee the information required to be submitted by Appraisal Subcommittee regulations or guidance concerning AMCs that operate in the state.<sup>22</sup>

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<sup>18</sup> 12 C.F.R. § 34.213 (2017).

<sup>19</sup> 12 C.F.R. § 34.214 (2017).

<sup>20</sup> 12 C.F.R. § 34.215 (2017).

<sup>21</sup> 12 C.F.R. §34.43 (2017).

<sup>22</sup> 12 C.F.R. § 34.216 (2017).

## *Real Estate Schools*

A real estate school is any person, school, institution which offers or conducts any course of study in real estate practice, teaches any course as a condition precedent to licensure or renewal of licensure as a broker or sales associate, or teaches any course designed or represented to enable or assist applicants for licensure as brokers or sales associates to pass examinations for licensure.<sup>23</sup>

A real estate school that teaches courses for initial licensure for a broker or sales associate license may be taught in any real estate school through the use of a video tape by a currently permitted instructor. Any such video tape course may be required to have a single 3 hour session of live instruction by a currently permitted instructor from any real estate school.<sup>24</sup>

DBPR indicated the video tape option is obsolete and no longer needed.<sup>25</sup>

### **Effect of the Bill**

The bill amends Part II of ch. 475, F.S. in order to meet the federal rule requirements of Dodd-Frank and ensure AMCs are able to perform federally related transactions in the state of Florida.

The bill defines the following terms to mirror federal definitions: “appraisal panel”, “covered transaction”, “secondary mortgage market participant”, and “federally regulated appraisal management company.”<sup>26</sup> The bill provides that:

- “Covered transaction” means a consumer credit transaction secured by the consumer’s principal dwelling.
- “Secondary mortgage market participant” means a guarantor, insurer, underwriter, or issuers of mortgage-backed securities. The term includes an individual investor in a mortgage-backed security only if such investor also serves in the capacity of a guarantor, an insurer, an underwriter, or an issuer for the mortgage-backed security.
- “Federally regulated AMC” means an appraisal management company that is owned and controlled by an insured depository institution, as defined in 12 U.S.C. § 1813, and regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation.
- “Appraisal panel” means a network, list, or roster of licensed or certified appraisers approved by an appraisal management company to perform appraisals as independent contractors for the appraisal management company. An appraiser is an independent contractor for purposes of this paragraph if the appraiser is treated as an independent contractor by the appraisal management company for federal income tax purposes. The term "appraiser panel" includes:
  - Appraisers accepted by the appraisal management company for consideration for future appraisal assignments in covered transactions or secondary mortgage market participants in connection with covered transactions.
  - Appraisers employed by, contracted with, or otherwise retained by the appraisal management company to perform one or more appraisals in covered transactions or for secondary mortgage market participants in connection with covered transactions.

The bill provides a definition for “order file” and “evaluation.” The bill provides that:

- “Order file” means the documentation necessary to support the performance of appraisal management services.

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<sup>23</sup> s. 475.451(1), F.S.

<sup>24</sup> s. 475.451(6), F.S.

<sup>25</sup> Department of Business & Professional Regulation, Agency Analysis of 2017 Senate Bill 716, p. 2 (Feb. 28, 2017).

<sup>26</sup> 12 C.F.R. § 34.211 (2017).

- “Evaluation” means a valuation permitted by any federal financial institutions regulatory agency appraisal regulations for transactions that do not require an appraisal, as they qualify for an applicable exemption under federal law. The board shall adopt rules, as necessity, to define evaluations and the applicable exemptions under federal law.

The bill requires:

- The board to, at least annually, report to the ASC a roster listing individuals or companies that hold a valid state registration as an AMC.
- DBPR to collect an annual fee, established by the board, from AMCs that perform or seek to perform appraisal management services in covered transactions, and transmit the annual fee to the ASC.
- That registration requirements for AMCs not apply to federally regulated AMCs.
- Grounds for the board to deny a renewal registration for an AMC in addition to denying an application for an AMC.

The bill removes the exemption that an unqualified person who does not appear to the board to endanger the public be deemed qualified to possess the authority to direct the management or policies of an AMC.

The bill provides that:

- Appraisers may perform evaluations of real property connected with real estate related financial transactions that are regulated by a federal financial institutions regulatory agency.
- The FREAB may promulgate rules adopting standards of practice other than the standards of practice adopted by the Appraisal Foundation for non-federally related transactions.
- Appraisers must comply with the ethics and competency rules adopted by the Appraisal Foundation for any appraisal other than a federally related transaction.
- Appraisals using alternate standards will not satisfy experience requirements for licensure.

The bill repeals the required postlicensure educational requirements in order for a registered trainee appraiser to maintain a valid registration.

The bill repeals the ability of a real estate school to teach a course for initial licensure by video tape.

## B. SECTION DIRECTORY:

- Section 1.** Amending s. 475.451, F.S., relating to video tape courses taught by real estate schools.
- Section 2.** Amending s. 475.611, F.S., relating to definitions of appraisal panel, covered transaction, evaluation, federally regulated appraisal management company, order file, secondary mortgage market participant, work file, and conforming terminology.
- Section 3.** Amending s. 475.612, F.S., providing that appraisers may perform evaluations.
- Section 4.** Repealing s. 475.6175, F.S., relating to postlicensure education requirements for trainee appraisers.
- Section 5.** Amending s. 475.621, F.S., relating to AMC annual fees.
- Section 6.** Amending s. 475.6235, F.S., relating to registration of AMCs.
- Section 7.** Amending s. 475.6245, F.S., relating to renewal of AMC registration.
- Section 8.** Incorporating amendments to s. 475.626, F.S.
- Section 9.** Amending s. 475.628, F.S., relating to standards of practice.
- Section 10.** Incorporating amendments to s. 475.629, F.S.



**Section 11.** Provides an effective date of October 1, 2017.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

There is no state fiscal impact. DBPR will collect fees paid by the AMCs and transmit the fees to the federal Appraisal Subcommittee. DBPR indicated the fee will range from \$25-\$50.<sup>27</sup>

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

AMCs will be able to continue participating in federally related transactions. AMCs will be required to pay an additional fee to DBPR, which will be transmitted to the ASC.

### D. FISCAL COMMENTS:

None.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. The bill does not appear to affect county or municipal governments.

2. Other:

None.

### B. RULE-MAKING AUTHORITY:

None.

### C. DRAFTING ISSUES OR OTHER COMMENTS:

DBPR indicated proponents of the bill believe if the bill does not pass then the potential economic damage is immeasurable.<sup>28</sup>

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<sup>27</sup> Department of Business & Professional Regulation, Agency Analysis of 2017 Senate Bill 716, p. 5 (Feb. 28, 2017).

<sup>28</sup> *Id.*

The President of the United States indicated that he would like to repeal portions of Dodd-Frank. If portions of Dodd-Frank are repealed it is unclear what impact this would have on Dodd-Frank's requirements on states to regulate AMCs.<sup>29</sup>

#### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On March 14, 2017, the Careers and Competition Subcommittee adopted a strike-all amendment and reported the bill favorably as a subcommittee substitute. The amendment adds the following elements to the original bill:

- Defines "Evaluation," as used by federal agencies.
- Clarifies that appraisers may perform evaluations of real property connected with real estate related financial transactions that are regulated by a federal financial institutions regulatory agency.
- Clarifies that the Florida Real Estate Appraisal Board may establish standards of appraisal practice other than standards adopted by the Appraisal Standards Board of the Appraisal Foundation for non-federally related transactions.
- Clarifies that an appraiser must comply with the Ethics and Competency Rules of the standards adopted by the Appraisal Standards Board of the Appraisal Foundation, and any other requirements as determined by rule of the board for an appraisal or appraisal service for non-federally related transactions.
- Clarifies that appraisals and appraisal services using alternate standards will not satisfy the experience requirements for licensure, unless those assignments comply with the standards adopted by the Appraisal Standards Board of the Appraisal Foundation.

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<sup>29</sup> Glenn Thrush, *Trump Vows to Dismantle Dodd-Frank 'Disaster'* New York Times, Jan. 30, 2017, <https://www.nytimes.com/2017/01/30/us/politics/trump-dodd-frank-regulations.html> (last visited March 11, 2017).