Top Level Issues : State

- AMC registration
- BPO expansion legislation
- Distressed sales as comparables
- “Green” valuation education requirements
- State oversight and enforcement ($$$)
- Contracting preferences
Recent Successes: State

- 29 state AMC registration bills in less than three years
  - AI-ASA-ASFMRA-NAIFA Developed model bill
  - Supported efforts made by chapters/coalitions
- Favorably amended a BPO expansion bill in MS
- Defeated bills regarding use of comps in 4 states
- Defeated bills that would have imposed “green” education requirements on appraisers (WA, NV)
AMCs

• State
  – 29 state AMC registration bills in less than three years
  – Bills still pending in IL, MA, NH, NJ, OH, PA, SC
  – Legislation being proposed for ’12 in CO, DE, KS, et. al.
AMCs

• State
  – AMC registration and oversight is required by the Dodd-Frank Act (3-4 years)
  – ASC and federal bank regulatory agencies to develop minimum standards – no movement
    • Some minimum requirements in statute
  – Problems with AMC laws
    • Registration fees, surety bonds, r & c fees, definitions
• Broker Price Opinions
  • Proliferation in the use of BPOs as valuation tools for foreclosures, short sales, loan modifications, portfolio valuation
  • Our analysis - In at least 18 states, the ability of a broker or salesperson to perform a BPO may be limited to the real estate listing or purchase process
  • Not illegal to order a BPO, but it may be illegal for the broker to complete the assignment
• There is a coordinated, national campaign to expand the ability of a real estate professional to do a BPO outside of the real estate listing process, including to loan origination

• Already seen several states where legislation has been proposed/enacted

• State Board needs to remain vigilant for any proposed legislation/regulation on this topic
BPOs

• Favorably amended a BPO expansion bill in MS. Worked to amend bills in AR, HI, MN, NM
• Standards & Guidelines
• Errors & omissions insurance
• Broker countersignature
• Educational requirements
• Price opinion; no mention of value
• Standard 2 exemption for appraisers to do CMAs
• Legislation in IL, MD, MO and NV would have prohibited the use of distressed sales as comps. – all defeated, pending in AZ

• Conflict with USPAP “must analyze” which is de facto federal law; no pre-emption by states

• Potential to through mortgage markets into turmoil; possible ASC decertification

• Artificial inflation of values
Green Valuation

• Legislation in WA, NV to require appraisers to take minimum # of hours of QE/CE in green valuation topics - defeated
• Our position is that it is overly prescriptive
• Not all RE appraisers need green val. training
• Lenders should seek out appraisers who are qualified & competent in green val. for these types of assignments
Board Funding

- Ensure that boards have adequate resources for administration and enforcement
- Prevent sweeping of funds into general fund
- Enacted in Maryland in ‘11 as part of AMC legislation
State Issues Fund

• Creation of AI Issues Fund
  – Provide financial support to chapters in order to successfully deal with a legislative or regulatory issue that:
    1) Has national significance (i.e. national implications beyond the chapter’s jurisdiction);
    2) Is a common industry problem; and
    3) Precedent setting and might not succeed without financial support from AI.
  
- It is not designed to support lawsuits, legal challenges or political campaigns for individual candidates.
Contacts

• Bill Garber, 202-298-5586, bgarber@appraisalinstitute.org
• Scott DiBiasio, 202-298-5593, sdibiario@appraisalinstitute.org
• Brian Rodgers, 202-298-5597, brodgers@appraisalinstitute.org