

House File 682 - Enrolled

House File 682

AN ACT

RELATING TO THE IOWA APPRAISAL STANDARDS AND APPRAISER  
CERTIFICATION LAW, MAKING PENALTIES APPLICABLE, AND  
INCLUDING APPLICABILITY PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 543D.1, Code 2021, is amended to read as follows:

**543D.1 Short title.**

This chapter shall be known and may be cited as the "*Iowa Voluntary Appraisal Standards and Appraiser Certification Law*".

Sec. 2. Section 543D.2, Code 2021, is amended by adding the following new subsections:

NEW SUBSECTION. 4A. "*Appraisal review*" means developing and communicating an opinion under the uniform standards of professional appraisal practice review standards regarding the quality of an appraiser's work product, with or without also providing an opinion of value, prepared as part of an appraisal assignment. "*Appraisal review*" does not include quality control solely to assure an appraisal report is complete, or to correct grammatical, typographical, or similar errors.

NEW SUBSECTION. 8A. "*Federally related transaction*" means any financial transaction related to real estate which a federal financial institutions regulatory agency engages in, contracts for, or regulates, and which requires the services of an appraiser pursuant to federally related transaction regulations.

NEW SUBSECTION. 8B. "*Federally related transaction regulations*" means regulations established by the comptroller of the currency, the board of governors of the federal reserve system, the federal deposit insurance corporation, or the national credit union administration pursuant to sections 1112, 1113, and 1114 of Tit. XI of the federal Financial Institutions Reform, Recovery, and Enforcement Act, 12 U.S.C. §3341 - 3343.

Sec. 3. Section 543D.2, subsection 9, Code 2021, is amended to read as follows:

9. "*Review appraiser*" means a person who is responsible for the ~~administrative approval of the appraised value of real property or assures that appraisal reports conform to the requirements of law and policy, or that the value of real property estimated by appraisers represents adequate security, fair market value, or other defined value~~ conducting an appraisal review.

Sec. 4. Section 543D.3, Code 2021, is amended to read as follows:

**543D.3 Purposes.**

1. The purpose of [this chapter](#) is to establish standards for real estate appraisals and a procedure for the mandatory certification of real estate appraisers performing appraisals for federally related transactions, the voluntary certification of real estate appraisers performing appraisals not related to federally related transactions, and the mandatory registration of associate real estate appraisers.

1A. A person who performs an appraisal, other than an appraisal review, for a federally related transaction as it relates to real estate located in this state must be a certified real estate appraiser under this chapter or a registered associate real estate appraiser acting under the direct supervision of a certified real estate appraiser if the services of a certified real estate appraiser are required by

federal law or regulation.

2. A person who is not a certified real estate appraiser under this chapter may appraise real estate for compensation if certification is not required by this chapter or by federal or state law, rule, or policy. ~~However, an employee of the state department of transportation whose duties include appraisals of property pursuant to chapter 6B must be a certified real estate appraiser under this chapter or a registered associate real estate appraiser acting under the direct supervision of a certified real estate appraiser.~~ Notwithstanding this subsection, in connection with the performance of an appraisal of real estate located in this state, the use of the title "certified real estate appraiser", "associate real estate appraiser", or any other like title, including a title that suggests an individual is certified under the laws of this or another state, shall only be used to refer to or by individuals who hold a certificate or registration under this chapter.

3. An employee of the state department of transportation whose duties include appraisals of property pursuant to chapter 6B must be a certified real estate appraiser under this chapter or a registered associate real estate appraiser acting under the direct supervision of a certified real estate appraiser.

4. A person who is not a certified real estate appraiser under this chapter but who is licensed under chapter 543B may be compensated in the course of business for providing an estimate of the probable selling price or leasing price of a particular parcel of real estate or interest in real estate as a comparative market analysis or a broker price opinion. Such a comparative market analysis or broker price opinion shall not be considered an appraisal for purposes of this chapter and shall not be prepared for any purpose in lieu of an appraisal when an appraisal is required by federal or state law.

Sec. 5. Section 543D.11, Code 2021, is amended to read as follows:

**543D.11 Certification by reciprocity.**

1. If, in the determination by the board, another state is deemed to have substantially equivalent certification requirements, an applicant who is certified under the laws of the other state may obtain a certificate as a certified real

estate appraiser upon terms and conditions as determined by the board.

2. The board may recognize on a temporary basis the certification or license of an appraiser issued by another state, including where the property to be appraised is part of a federally related transaction. An appraiser engaging in such temporary practice shall apply for and obtain a temporary practice permit from the board before performing any services in relation to an appraisal, is subject to the full regulatory jurisdiction of the board, and is governed by the laws and rules administered by the board.

Sec. 6. Section 543D.15, subsection 1, Code 2021, is amended to read as follows:

1. a. The term "~~certified real estate appraiser~~" title "certified real estate appraiser", "associate real estate appraiser", or any other like title shall only be used to refer to individuals who hold the certificate or registration, as applicable, and shall not be used in connection with or as part of the name or signature of a firm, partnership, corporation, or group, or in a manner that it may be interpreted as referring to a firm, partnership, corporation, group, other business entity, or anyone other than an individual holder of the certificate or registration.

b. In connection with an appraisal assignment performed on real estate located in this state, the title "certified real estate appraiser", "associate real estate appraiser", or any other like title, including a title that suggests an individual is licensed or certified under the laws of this state or another state, shall only be used to refer to individuals who hold a certificate or registration under this chapter.

Sec. 7. Section 543D.20, subsection 5, Code 2021, is amended to read as follows:

5. Persons who appraise real estate where certification is not required by [this chapter](#) or by federal or state law, rule, or policy, and who are not assisting a certified real estate appraiser in the development or reporting of an appraisal assignment that is required by [this chapter](#), or by federal or state law, rule, or policy to be performed by a certified real estate appraiser, are not required to register with the

board. Notwithstanding this subsection, in connection with the performance, or assistance in the performance, of an appraisal of real estate located in this state, the use of the title "associate real estate appraiser" or any other like title, including a title that suggests an individual is an associate real estate appraiser under the laws of this state or another state, shall only be used to refer to individuals who hold a registration under this chapter.

Sec. 8. Section 543D.21, subsection 4, Code 2021, is amended by adding the following new paragraph:

NEW PARAGRAPH. 0a. A violation of section 543D.3, subsections 1A, 2, or 3.

Sec. 9. Section 543D.21, subsection 4, paragraph c, Code 2021, is amended to read as follows:

c. A violation of [section 543D.20, subsection 1 or 5](#).

Sec. 10. Section 543D.22, subsections 1 and 3, Code 2021, are amended to read as follows:

1. a. The Subject to paragraphs "b" and "c", the board may require a national criminal history check through the federal bureau of investigation for applicants for certification or registration, or for persons certified or registered, under this chapter, if needed for credibility, to comply with federal law or regulation, or the policies of the appraisal qualification board of the appraisal foundation. The board may alternatively require a national criminal history check through the nationwide mortgage licensing system and registry, as defined in [section 535D.3](#), when conducting background investigations under this section, if authorized by applicable federal law or regulation.

b. The board shall not require a national criminal history check through the federal bureau of investigation for applicants for upgraded certification or registration if the applicant applies for the upgraded certification or registration within twenty-four months following the date the applicant obtained their original certification or registration under this chapter.

c. By signing and submitting to the board a statement declaring that there have been no changes to the applicant's criminal history since the date of the waiver specified

in subsection 4, and that there are no active or pending complaints in any state against the applicant, any of the following individuals may seek a waiver of the board's requirement to undergo a national criminal history check:

(1) An applicant for upgraded certification or registration who obtained their original certification or registration under this chapter more than twenty-four months prior to applying for the upgraded certification or registration.

(2) An applicant for upgraded certification applying to the board under a reciprocity agreement.

3. a. The Subject to paragraphs "b" and "c", the board may also request and obtain, notwithstanding section 692.2, subsection 5, criminal history data for applicants, certificate holders, and registrants. A request for criminal history data shall be submitted to the department of public safety, division of criminal investigation, pursuant to section 692.2, subsection 1.

b. The board shall not request or obtain criminal history data for applicants for upgraded certification or registration if the applicant applies for the upgraded certification or registration within twenty-four months following the date the applicant obtained their original certification or registration under this chapter.

c. By signing and submitting to the board a statement declaring that there have been no changes to the applicant's criminal history data since the date of the waiver specified in subsection 4, and that there are no active or pending complaints in any state against the applicant, any of the following individuals may seek a waiver of the board's request to obtain criminal history data:

(1) An applicant for upgraded certification or registration who obtained their original certification or registration under this chapter more than twenty-four months prior to applying for the upgraded certification or registration.

(2) An applicant for upgraded certification applying to the board under a reciprocity agreement.

Sec. 11. APPLICABILITY. The following applies to applications for original certification or registration and renewal certification or registration that are submitted to the

real estate appraiser examining board on or after the effective date of this Act:

The section of this Act amending section 543D.22.

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PAT GRASSLEY  
Speaker of the House

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JAKE CHAPMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 682, Eighty-ninth General Assembly.

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MEGHAN NELSON  
Chief Clerk of the House

Approved \_\_\_\_\_, 2021

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KIM REYNOLDS  
Governor