

House Study Bill 176 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
COMMERCE/BANKING DIVISION
BILL)

A BILL FOR

1 An Act relating to the Iowa appraisal standards and appraiser
2 certification law and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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

3 **543D.1 Short title.**

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

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

8 NEW SUBSECTION. 4A. "*Appraisal review*" means developing
9 and communicating an opinion under the uniform standards of
10 professional appraisal practice review standards regarding
11 the quality of an appraiser's work product prepared as part
12 of an appraisal assignment. "*Appraisal review*" does not
13 include quality control solely to assure an appraisal report is
14 complete, or to correct grammatical, typographical, or similar
15 errors.

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

22 NEW SUBSECTION. 8B. "*Federally related transaction*
23 *regulations*" means regulations established by the comptroller
24 of the currency, the board of governors of the federal reserve
25 system, the federal deposit insurance corporation, or the
26 national credit union administration pursuant to sections 1112,
27 1113, and 1114 of Tit. XI of the federal Financial Institutions
28 Reform, Recovery, and Enforcement Act, 12 U.S.C. §3341 - 3343.

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

31 9. "*Review appraiser*" means a person who is responsible
32 for ~~the administrative approval of the appraised value of~~
33 ~~real property or assures that appraisal reports conform to~~
34 ~~the requirements of law and policy, or that the value of real~~
35 ~~property estimated by appraisers represents adequate security,~~

1 ~~fair market value, or other defined value~~ conducting an
2 appraisal review.

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

5 **543D.3 Purposes.**

6 1. The purpose of ~~this chapter~~ is to establish standards
7 for real estate appraisals and a procedure for the mandatory
8 certification of real estate appraisers performing appraisals
9 for federally related transactions, the voluntary certification
10 of real estate appraisers performing appraisals not related to
11 federally related transactions, and the mandatory registration
12 of associate real estate appraisers.

13 1A. A person who performs an appraisal, other than an
14 appraisal review, for a federally related transaction as
15 it relates to real estate located in this state must be
16 a certified real estate appraiser under this chapter or a
17 registered associate real estate appraiser acting under the
18 direct supervision of a certified real estate appraiser.

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

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

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

8 **543D.11 Certification by reciprocity.**

9 1. If, in the determination by the board, another state
10 is deemed to have substantially equivalent certification
11 requirements, an applicant who is certified under the laws of
12 the other state may obtain a certificate as a certified real
13 estate appraiser upon terms and conditions as determined by the
14 board.

15 2. The board may recognize on a temporary basis the
16 certification or license of an appraiser issued by another
17 state, including where the property to be appraised is part of
18 a federally related transaction. An appraiser engaging in such
19 temporary practice shall register with the board, is subject to
20 the full regulatory jurisdiction of the board, and is governed
21 by the laws and rules administered by the board.

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

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

34 b. In connection with an appraisal assignment, other than
35 an appraisal review, performed on real estate located in this

1 state, the title "certified real estate appraiser", "associate
2 real estate appraiser", or any other like title, including a
3 title that suggests an individual is licensed or certified
4 under the laws of this state or another state, shall only
5 be used to refer to individuals who hold a certificate or
6 registration under this chapter.

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

9 5. Persons who appraise real estate where certification is
10 not required by [this chapter](#) or by federal or state law, rule,
11 or policy, and who are not assisting a certified real estate
12 appraiser in the development or reporting of an appraisal
13 assignment that is required by [this chapter](#), or by federal
14 or state law, rule, or policy to be performed by a certified
15 real estate appraiser, are not required to register with the
16 board. Notwithstanding this subsection, in connection with the
17 performance, or assistance in the performance, of an appraisal
18 other than an appraisal review, of real estate located in this
19 state, the use of the title "associate real estate appraiser"
20 or any other like title, including a title that suggests an
21 individual is an associate real estate appraiser under the laws
22 of this state or another state, shall only be used to refer to
23 individuals who hold a registration under this chapter.

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

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

28 Sec. 9. Section 543D.21, subsection 4, paragraph c, Code
29 2021, is amended to read as follows:

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

31 EXPLANATION

32 The inclusion of this explanation does not constitute agreement with
33 the explanation's substance by the members of the general assembly.

34 This bill relates to the Iowa appraisal standards and
35 appraiser certification law.

1 Current law provides that Code chapter 543D shall be known
2 as the Iowa voluntary appraisal standards and appraiser
3 certification law. The bill provides that Code chapter 543D
4 shall be known as the Iowa appraisal standards and appraiser
5 certification law.

6 The bill defines "appraisal review" as developing and
7 communicating an opinion under the uniform standards of
8 professional appraisal practice review standards regarding
9 the quality of an appraiser's work product prepared as part
10 of an appraisal assignment. The bill defines "federally
11 related transaction" as any financial transaction related to
12 real estate which a federal financial institutions regulatory
13 agency engages in, contracts for, or regulates, and which
14 requires the services of an appraiser pursuant to federally
15 related transaction regulations. The bill defines "federally
16 related transaction regulations" as regulations established
17 by the comptroller of the currency, the board of governors
18 of the federal reserve system, the federal deposit insurance
19 corporation, or the national credit union administration
20 pursuant to sections 1112, 1113, and 1114 of Tit. XI of
21 the federal Financial Institutions Reform, Recovery, and
22 Enforcement Act, 12 U.S.C. §3341 - 3343. The bill modifies
23 the definition of "review appraiser" to mean a person who is
24 responsible for conducting an appraisal review.

25 The bill provides that the purpose of Code chapter 543D is
26 to establish a procedure for the mandatory certification of
27 real estate appraisers performing appraisals for federally
28 related transactions and voluntary certification of real estate
29 appraisers performing appraisals that are not related to
30 federally related transactions.

31 The bill requires a person to be a certified real estate
32 appraiser or a registered associate real estate appraiser
33 acting under the direct supervision of a certified real estate
34 appraiser if the person performs an appraisal for a federally
35 related transaction as it relates to real estate located in

1 this state.

2 Current law provides that a person who is not a certified
3 real estate appraiser may appraise real estate if certification
4 is not required by Code chapter 543D or any other state or
5 federal law. The bill provides that, notwithstanding that
6 provision, in connection with an appraisal of real estate
7 located in this state, the title certified real estate
8 appraiser, associate real estate appraiser, or any other
9 similar title shall only be used by an individual who holds a
10 certificate or registration under Code chapter 543D.

11 The bill provides that the real estate appraiser examining
12 board may recognize on a temporary basis the certification or
13 license of an appraiser issued by another state. An appraiser
14 who has been recognized on a temporary basis is required to
15 register with the board and is governed by the laws and rules
16 administered by the board.

17 The bill provides that the title certified real estate
18 appraiser, associate real estate appraiser, or any similar
19 title shall only be used to refer to individuals who hold
20 the appropriate certificate or registration. Additionally,
21 the bill provides that, in connection with an appraisal
22 assignment performed on real estate located in this state, the
23 title certified real estate appraiser, associate real estate
24 appraiser, or any other like title shall only be used to refer
25 to individuals who hold a certificate or registration under
26 Code chapter 543D.

27 Current law does not require registration with the board
28 of those who appraise real estate where certification is not
29 required by Code chapter 543D or any other state or federal
30 law, and who are not assisting a certified real estate
31 appraiser in the development of an appraisal assignment that is
32 required by Code chapter 543D or any other state or federal law
33 to be performed by a certified real estate appraiser. The bill
34 provides that, notwithstanding that provision, in connection
35 with an appraisal of real estate located in this state, the

1 title associate real estate appraiser or any other similar
2 title shall only be used to refer to or by an individual who
3 holds a certificate or registration under Code chapter 543D.
4 The bill authorizes civil penalties against a person who is
5 not certified under Code chapter 543D for a violation of Code
6 section 543D.3, subsection 1A, 2, or 3, or for a violation of
7 Code section 543D.20, subsection 5. The maximum civil penalty
8 that may be imposed is \$1,000 for each violation.