HOUSE FILE 682
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 176)

(As Amended and Passed by the House March 10, 2021)
[= New Language by the House

A BILL FOR

An Act relating to the Iowa appraisal standards and appraiser certification law and making penalties applicable.

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 in the course of business provide a valuation of real estate for compensation as a comparative market analysis or a broker price opinion.]

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.