

## STATEMENT OF PURPOSE

### RS24373

Relating to appraisal management companies (AMC)'s. This legislation creates an oversight system for AMC's that do business in Idaho. In most residential real estate transactions, the lender must have an independent appraisal of the property to ensure an accurate, objective valuation. An AMC is often the entity that provides this independence, contracting with an appraiser to perform the appraisal. Without this legislation in place by December of 2018, lenders in federally-related residential real estate transactions such as the Veteran's Administration, Fannie Mae and others, will not be able to use most AMC's. This could result in disruption and delays to consumers, realtors, appraisers and lenders in residential real estate loan transactions.

### FISCAL NOTE

There is no impact to the general fund or local government. The Board of Real Estate Appraisers operates solely on dedicated funds received from fees paid by appraisers regulated by the Board. If this bill passes, an appropriation would be needed to provide spending authority for the fees collected. The Board estimates that the Bureau of Occupational Licenses would need spending authority for one full-time position (FTP) at a cost of \$45,000 and \$20,000 in operating expenditures to administer the provisions of the law, for an estimated total cost of \$60,000. The fees collected from AMC's registered under this law would cover these costs. No general fund money would be appropriated to cover these costs. There would be no cost to local government.

#### Contact:

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