

IN THE SENATE

SENATE BILL NO. 1318

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO THE IDAHO APPRAISAL MANAGEMENT COMPANY REGISTRATION AND REGU-  
2 LATION ACT; AMENDING CHAPTER 41, TITLE 54, IDAHO CODE, BY THE ADDITION  
3 OF NEW SECTIONS 54-4120 THROUGH 54-4134, IDAHO CODE, TO PROVIDE A SHORT  
4 TITLE, TO PROVIDE SCOPE, TO DEFINE TERMS, TO PROVIDE FOR AN APPRAISAL  
5 PANEL AND ANNUAL SIZE CALCULATION; TO PROVIDE THAT APPRAISAL MANAGE-  
6 MENT COMPANIES SHALL REGISTER WITH THE REAL ESTATE APPRAISER BOARD AND  
7 TO PROVIDE REQUIREMENTS FOR REGISTRATION, TO PROVIDE FOR EXEMPTIONS,  
8 TO PROVIDE REQUIREMENTS FOR OWNERSHIP AND FOR CONTROLLING PERSONS, TO  
9 PROVIDE FOR LIMITATIONS ON AGREEMENTS, TO PROVIDE FOR APPRAISER EN-  
10 GAGEMENT, TO PROVIDE FOR APPRAISAL REVIEW, TO PROVIDE FOR APPRAISER  
11 COMPENSATION, TO PROVIDE FOR APPRAISER INDEPENDENCE, TO PROVIDE FOR  
12 ADDITIONAL POWERS OF THE BOARD, TO PROVIDE FOR ENFORCEMENT BY THE BOARD  
13 AND TO PROVIDE FEDERAL REGISTRY REQUIREMENTS.  
14

15 Be It Enacted by the Legislature of the State of Idaho:

16 SECTION 1. That Chapter 41, Title 54, Idaho Code, be, and the same is  
17 hereby amended by the addition thereto of NEW SECTIONS, to be known and des-  
18 ignated as Sections 54-4120 through 54-4134, Idaho Code, and to read as fol-  
19 lows:

20 54-4120. SHORT TITLE. Sections 54-4120 through 54-4134, Idaho Code,  
21 shall be known and may be cited as the "Idaho Appraisal Management Company  
22 Registration and Regulation Act."

23 54-4121. SCOPE. This act shall apply to appraisal management compa-  
24 nies providing appraisal management services in connection with consumer  
25 credit transactions secured by a consumer's principal dwelling or securiti-  
26 zations of those transactions.

27 54-4122. DEFINITIONS. As used in this act:

28 (1) "Affiliate" means any company that controls, is controlled by or is  
29 under common control with another company.

30 (2) "AMC national registry" means the registry of state registered ap-  
31 praisal management companies and federally regulated appraisal management  
32 companies maintained by the appraisal subcommittee.

33 (3) (a) "Appraisal management company" or "AMC" means a person that:

34 (i) Provides appraisal management services to creditors or to  
35 secondary mortgage market participants, including affiliates;

36 (ii) Provides such services in connection with valuing a con-  
37 sumer's principal dwelling as security for a consumer credit  
38 transaction or incorporating such transactions into securitiza-  
39 tions; and

- 1 (iii) Within a given calendar year, oversees an appraiser panel of  
2 more than fifteen (15) state certified or state licensed apprais-  
3 ers in this state or twenty-five (25) or more state certified or  
4 state licensed appraisers in two (2) or more states.
- 5 (b) The term "appraisal management company" or "AMC" does not include a  
6 department or division of an entity that provides appraisal management  
7 services only to that entity.
- 8 (4) "Appraisal management services" means one (1) or more of the fol-  
9 lowing:
- 10 (a) Recruiting, selecting and retaining appraisers;
- 11 (b) Contracting with state certified or state licensed appraisers to  
12 perform appraisal assignments;
- 13 (c) Managing the process of having an appraisal performed, including  
14 providing administrative services such as receiving appraisal orders  
15 and appraisal reports, submitting completed appraisal reports to credi-  
16 tors and secondary market participants, collecting fees from credi-  
17 tors and secondary market participants for services provided, and pay-  
18 ing appraisers for services performed; and
- 19 (d) Reviewing and verifying the work of appraisers.
- 20 (5) "Appraisal review" means the act or process of developing and com-  
21 municating an opinion about the quality of another appraiser's work that was  
22 performed as part of an appraisal or appraisal review assignment. The term  
23 does not include:
- 24 (a) A general examination of an appraisal for grammatical, typographi-  
25 cal, mathematical or other similar administrative errors; and
- 26 (b) A general examination for completeness, including regulatory or  
27 client requirements as specified in the agreement process that do not  
28 involve the appraiser's professional judgment, including compliance  
29 with the elements of the client's statement of work.
- 30 (6) "Appraiser panel" means a network, list or roster of licensed or  
31 certified appraisers approved by an AMC to perform appraisals as independent  
32 contractors for the AMC. Appraisers on an AMC's appraiser panel under this  
33 act include both appraisers accepted by the AMC for consideration for fu-  
34 ture appraisal assignments in covered transactions, or for secondary mort-  
35 gage market participants in connection with covered transactions, and ap-  
36 praisers engaged by the AMC to perform one (1) or more appraisals in covered  
37 transactions, or for secondary mortgage market participants in connection  
38 with covered transactions. An appraiser is an independent contractor for  
39 the purposes of this act if the appraiser is treated as an independent con-  
40 tractor by the AMC for purposes of federal income taxation.
- 41 (7) "Board" means the real estate appraiser board created in section  
42 54-4106, Idaho Code.
- 43 (8) "Bureau" means the bureau of occupational licenses created in sec-  
44 tion 67-2601, Idaho Code.
- 45 (9) "Consumer credit" means credit offered or extended to a consumer  
46 primarily for personal, family or household purposes.
- 47 (10) "Controlling person" means:
- 48 (a) An owner, officer or director of, or a natural person who holds  
49 greater than ten percent (10%) ownership interest in, a corporation,

1 partnership or other business entity seeking to offer appraisal manage-  
2 ment services in Idaho; or

3 (b) An individual who possesses, directly or indirectly, the power to  
4 direct or cause the direction of the management or policies of an ap-  
5 praisal management company.

6 (11) "Covered transaction" means any consumer credit transaction se-  
7 cured by the consumer's principal dwelling.

8 (12) "Creditor" means:

9 (a) A person who regularly extends consumer credit that is subject to a  
10 finance charge or is payable by written agreement in more than four (4)  
11 installments, not including a down payment, and to whom the obligation  
12 is initially payable, either on the face of the note or contract or by  
13 agreement when there is no note or contract; or

14 (b) A person who regularly extends consumer credit if the person ex-  
15 tended credit, other than credit subject to the requirements of 12 CFR  
16 1026.32, more than five (5) times for transactions secured by a dwelling  
17 in the preceding calendar year. If a person did not meet these numer-  
18 ical standards in the preceding calendar year, the numerical standards  
19 shall be applied to the current calendar year. A person regularly ex-  
20 tends consumer credit if, in any twelve (12) month period, the person  
21 originates more than one (1) credit extension that is subject to the re-  
22 quirements of 12 CFR 1026.32, or one (1) or more such credit extensions  
23 through a mortgage broker.

24 (13) "Dwelling" means a residential structure that contains one (1) to  
25 four (4) units, whether or not that structure is attached to real property.  
26 The term includes an individual condominium unit, cooperative unit, mobile  
27 home and trailer, if it is used as a residence. A consumer can have only one  
28 (1) principal dwelling at a time. A vacation or other second home is not a  
29 principal dwelling. However, if a consumer buys or builds a new dwelling  
30 that will become the consumer's principal dwelling within one (1) year or  
31 upon the completion of construction, the new dwelling is considered the  
32 principal dwelling for purposes of this section.

33 (14) "Federally regulated AMC" means an AMC that is owned and controlled  
34 by an insured depository institution as defined in 12 U.S.C. 1813, and reg-  
35 ulated by the office of the comptroller of the currency, the board of gover-  
36 nors of the federal reserve system or the federal deposit insurance corpora-  
37 tion.

38 (15) "Person" means a natural person or an organization, including a  
39 corporation, partnership, proprietorship, association, cooperative, es-  
40 tate, trust or government unit.

41 (16) "Secondary mortgage market participant" means a guarantor or  
42 insurer of mortgage-backed securities or an underwriter or issuer of  
43 mortgage-backed securities. Secondary mortgage market participant only in-  
44 cludes an individual investor in a mortgage-backed security if that investor  
45 also serves in the capacity of a guarantor, insurer, underwriter or issuer  
46 for the mortgage-backed security.

47 (17) "Uniform standards of professional appraisal practice" or "USPAP"  
48 means the appraisal standards promulgated by the appraisal standards board  
49 of the appraisal foundation.

1           54-4123. APPRAISAL PANEL -- ANNUAL SIZE CALCULATION. For purposes of  
2 determining whether, within a calendar year, an AMC oversees an appraisal  
3 panel of more than fifteen (15) state certified or state licensed apprais-  
4 ers in one (1) state or twenty-five (25) or more state certified or state li-  
5 censed appraisers in two (2) or more states:

6           (1) An appraiser is deemed part of the AMC's appraiser panel as of the  
7 earliest date on which the AMC:

8           (a) Accepts the appraiser for the AMC's consideration for future ap-  
9 praisal assignments in covered transactions or for secondary mortgage  
10 market participants in connection with covered transactions; or

11           (b) Engages the appraiser to perform one (1) or more appraisals on be-  
12 half of a creditor for a covered transaction or secondary mortgage mar-  
13 ket participation in connection with covered transactions.

14           (2) An appraiser who is deemed part of the AMC's appraiser panel pur-  
15 suant to subsection (1) of this section is deemed to remain on the panel until  
16 the date on which the AMC:

17           (a) Sends written notice to the appraiser removing the appraiser from  
18 the appraiser panel with an explanation of its action; or

19           (b) Receives written notice from the appraiser asking to be removed  
20 from the appraiser panel or notice of the death or incapacity of the ap-  
21 praiser.

22           (3) If an appraiser is removed from an AMC's appraiser panel pursuant  
23 to subsection (2) of this section, but the AMC subsequently accepts the ap-  
24 praiser for consideration for future assignments or engages the appraiser at  
25 any time during the twelve (12) months after the appraiser is removed, the  
26 removal will be deemed not to have occurred, and the appraiser will be deemed  
27 to have been part of the AMC's appraiser panel without interruption.

28           (4) The period for purposes of counting appraisers on an AMC's ap-  
29 praiser panel is the calendar year.

30           54-4124. REGISTRATION REQUIRED. (1) Effective July 1, 2017, it is a  
31 violation of this act for a person to directly or indirectly engage or at-  
32 tempt to engage in business as an appraisal management company, to directly  
33 or indirectly engage or attempt to perform appraisal management services, or  
34 to advertise or hold itself out as engaging in or conducting business as an  
35 appraisal management company without first registering with the board under  
36 the provisions of this chapter.

37           (2) The registration required under subsection (1) of this section  
38 shall be filed in the form required by the board by rule, shall be renewed  
39 annually and shall, at a minimum, include the following information:

40           (a) Name of the person seeking registration;

41           (b) Business address of the person seeking registration;

42           (c) Phone contact information of the person seeking registration;

43           (d) If the person is not an entity that is domiciled in this state, an  
44 executed appointment of an agent for service of process in this state in  
45 the form required by the board;

46           (e) The name, address and contact information for all controlling per-  
47 sons; and

48           (f) Any other information required by the board by rule that is reason-  
49 ably necessary to implement the provisions of this act.

1 (3) A registration granted by the board pursuant to this act shall be  
2 renewed and reinstated as provided in section 67-2614, Idaho Code. The board  
3 shall establish by rule the fee to be paid by each appraisal management com-  
4 pany seeking registration under this act, such that the sum of the fees paid  
5 by all appraisal management companies seeking registration under this act  
6 shall be sufficient for the administration of this act, but in no case shall  
7 the fee be more than one thousand five hundred dollars (\$1,500) per calendar  
8 year.

9 (4) (a) An applicant for issuance or renewal of an appraisal management  
10 company registration is required to file with the board a surety bond  
11 with one (1) or more corporate sureties authorized to do business in  
12 this state or an irrevocable letter of credit issued by an insured de-  
13 pository institution as defined in 12 U.S.C. section 1813, in the amount  
14 of twenty-five thousand dollars (\$25,000).

15 (b) The surety bond or letter of credit required under paragraph (a) of  
16 this subsection must be available for all amounts adjudged by a court  
17 of competent jurisdiction to be owing to persons that have been injured  
18 by the appraisal management company's failure to comply with this act.  
19 The name of the corporate surety and the policy number or the name of the  
20 insured depository institution, as applicable, shall be made available  
21 only to persons or their insurers who provide written evidence to the  
22 board that they possess an adjudicated and unsatisfied judgment against  
23 the appraisal management company.

24 (c) The board may require an appraisal management company to provide  
25 proof of a current surety bond or letter of credit upon written notice.

26 (d) A person or the board having a claim against an appraisal manage-  
27 ment company, if it has a claim, may bring suit against the surety bond  
28 or letter of credit required by paragraph (a) of this subsection. An  
29 action against the bond or letter of credit must be commenced within  
30 one hundred twenty (120) days after the appraisal management company  
31 allegedly failed to comply with this act.

32 (5) The board shall issue a unique registration number to each ap-  
33 praisal management company that is registered in this state and maintain an  
34 online list of the appraisal management companies that have registered with  
35 the board pursuant to this act. An appraisal management company registered  
36 in this state shall disclose the registration number provided to it by the  
37 board on the engagement documents presented to an appraiser.

38 (6) Each appraisal management company seeking to be registered or to  
39 renew an existing registration in this state shall certify to the board in  
40 a form prescribed by the board upon registration and renewal that it has a  
41 system in place to periodically review the work of appraisers who have per-  
42 formed appraisals for the appraisal management company to verify that the  
43 appraisals are being conducted in accordance with uniform standards of pro-  
44 fessional appraisal practice.

45 (7) Each appraisal management company seeking to be registered in this  
46 state shall certify to the board upon registration and renewal that it has  
47 retained all records required to be maintained under this act including the  
48 documentation for board registration and registration renewals for the pe-  
49 riod specified for retention of an appraiser's work file in the uniform stan-  
50 dards of professional appraisal practice.

1 (8) Each appraisal management company seeking to be registered or to  
2 renew an existing registration in this state shall certify that the company  
3 will require appraisals to be conducted independently as required by the ap-  
4 praisal independence standards under section 15 U.S.C. 1639e, including the  
5 requirements of payment of a customary and reasonable fee to independent ap-  
6 praisers when the appraisal management company is providing services for a  
7 consumer credit transaction secured by the principal dwelling of a consumer.

8 (9) (a) Each appraisal management company seeking to be registered or to  
9 renew a registration in this state shall certify to the board in a form  
10 required by the board that the company maintains a detailed record of  
11 each service request that the company receives for appraisals of prop-  
12 erty located in this state.

13 (b) All records required to be maintained by the registered appraisal  
14 management company shall be made available for inspection by the board  
15 upon reasonable notice to the appraisal management company.

16 54-4125. EXEMPTIONS. The provisions of this act shall not apply to:

17 (1) A person that exclusively employs appraisers on an employer and em-  
18 ployee basis for the performance of appraisals in this state;

19 (2) A federally regulated AMC;

20 (3) A department or unit within a financial institution that is sub-  
21 ject to direct regulation by an agency of the United States government that  
22 is a member of the federal financial institutions examination council or its  
23 successor, or to regulation by an agency of this state, that receives a re-  
24 quest for the performance of an appraisal from one (1) employee of the fi-  
25 nancial institution, and another employee of the same financial institution  
26 assigns the request for the appraisal to an appraiser that is an independent  
27 contractor to the institution, except that an AMC that is a wholly owned sub-  
28 sidiary of a financial institution shall not be considered a department or  
29 unit within a financial institution to which the provisions of this act do  
30 not apply; and

31 (4) An appraiser who enters into an agreement with another appraiser  
32 for the performance of an appraisal that upon completion results in a report  
33 signed by both the appraiser who completed the appraisal and the appraiser  
34 who requested the completion of the appraisal.

35 54-4126. OWNERSHIP REQUIREMENTS -- CONTROLLING PERSONS. (1) No AMC  
36 shall be registered in this state if the AMC is owned in whole or in part,  
37 directly or indirectly, by any person who has had an appraiser license or  
38 certificate refused, denied, canceled, surrendered in lieu of revocation,  
39 or revoked in any state for substantive cause, as determined by the appropri-  
40 ate state appraiser certifying and licensing agency. An AMC is not barred  
41 from registration in this state if the license or certificate of the ap-  
42 praiser with an ownership interest was not revoked for a substantive cause  
43 and has been reinstated by the state or states in which the appraiser was  
44 licensed or certified.

45 (2) No AMC shall be registered in this state if any natural person that  
46 owns more than ten percent (10%) of the appraisal management company:

47 (a) Is determined by the board not to have good moral character; or

1 (b) Fails to submit to a background investigation, including a finger-  
2 print-based criminal history check, carried out by the board.

3 (3) Each appraisal management company applying to the board for a reg-  
4 istration in this state shall designate one (1) controlling person that will  
5 be the main contact for all communication between the board and the appraisal  
6 management company, and notify the board of any change in the appraisal man-  
7 agement company's controlling person. The controlling person designated  
8 pursuant to this subsection shall:

9 (a) Have never had a license or certificate to act as an appraiser re-  
10 fused, denied, canceled, revoked or surrendered in lieu of revocation  
11 for a substantive reason in any state, unless the person has subse-  
12 quently had the license or certificate to act as an appraiser granted or  
13 reinstated;

14 (b) Be of good moral character, as determined by the board; and

15 (c) Submit to a background investigation, including a finger-  
16 print-based criminal history check, carried out by the board.

17 54-4127. LIMITATIONS ON AGREEMENTS. (1) An appraisal management com-  
18 pany applying to the board for a registration in this state shall not know-  
19 ingly or through lack of diligence for the purpose of performing appraisals  
20 or appraisal management services:

21 (a) Employ any person who has had a license or certificate to act as an  
22 appraiser in this state or in any other state refused, denied, canceled,  
23 revoked or surrendered in lieu of revocation, unless the person has sub-  
24 sequently had the license or certificate to act as an appraiser granted  
25 or reinstated;

26 (b) Enter into any independent contractor arrangements, whether in  
27 verbal, written or other form, with any person who has had a license or  
28 certificate to act as an appraiser in this state refused, denied, can-  
29 celed, revoked or surrendered in lieu of a revocation, unless the person  
30 has subsequently had the license or certificate to act as an appraiser  
31 granted or reinstated; and

32 (c) Enter into any contract, agreement or other business relationship  
33 relating to the appraisal of real property, whether in verbal, writ-  
34 ten or any other form, with any entity that employs, has entered into  
35 an independent contract arrangement, or has entered into any contract,  
36 agreement or other business relationship, whether in verbal, written or  
37 any other form, with any person who has ever had a license or certifi-  
38 cate to act as an appraiser in this state or in any other state refused,  
39 denied, canceled, revoked or surrendered in lieu of revocation, unless  
40 the person has subsequently had the license or certificate to act as an  
41 appraiser granted or reinstated.

42 (2) Each appraisal management company seeking to be registered in this  
43 state shall certify to the board upon registration and renewal that it has a  
44 system in place to train those who select individual appraisers for real es-  
45 tate appraisal services in the state to ensure that the selectors have appro-  
46 priate training in placing appraisal assignments. The board cannot require  
47 that any person under this subsection meet education requirements required  
48 of persons seeking or maintaining a license as an appraiser.

1 (3) An appraisal management company registered in this state shall not  
2 prohibit an independent appraiser that is part of an appraisal panel from  
3 recording the fee that the appraiser was paid by the AMC for the performance  
4 of the appraisal within the communication of the appraisal.

5 54-4128. APPRAISER ENGAGEMENT. (1) Before or at the time of placing  
6 an assignment with an appraiser on the appraiser panel of an appraisal man-  
7 agement company, the appraisal management company shall verify that the ap-  
8 praiser receiving the assignment meets the competency rule of the uniform  
9 standards of professional appraisal practice. An attestation provided by  
10 an appraiser that such appraiser is geographically competent within the ap-  
11 praiser's scope of practice will satisfy an appraisal management company's  
12 responsibility under this subsection.

13 (2) Except as otherwise provided in this act, an appraisal management  
14 company registered in this state pursuant to this act may not enter into any  
15 contracts or agreements with an appraiser for the performance of the ap-  
16 praisal in this state unless it verifies that the individual is licensed or  
17 certified to perform the appraisal pursuant to the state of Idaho real estate  
18 appraiser act. The appraisal management company may verify the status of the  
19 appraiser by contacting the board or utilizing the national registry of the  
20 appraisal subcommittee.

21 (3) Each appraisal management company seeking to be registered in this  
22 state shall certify to the board upon registration and renewal on a form pre-  
23 scribed by the board that the appraisal management company has a system and  
24 process in place to verify that an individual being added to the appraiser  
25 panel of the appraisal management company to perform appraisal services in  
26 this state holds a current license pursuant to the Idaho real estate ap-  
27 praiser act. The appraisal management company may verify the status of the  
28 appraiser by contacting the board or utilizing the national registry of the  
29 appraisal subcommittee.

30 (4) An appraisal management company shall engage only Idaho state cer-  
31 tified or Idaho state licensed appraisers for appraisal services for feder-  
32 ally related transactions in conformity with any federally related transac-  
33 tion regulations.

34 (5) Every AMC that engages an appraiser to perform one (1) or more ap-  
35 praisals in covered transactions or for secondary mortgage market partic-  
36 ipants in connection with covered transactions shall direct appraisers to  
37 perform the assignment in accordance with the uniform standards of profes-  
38 sional appraisal practice.

39 54-4129. APPRAISAL REVIEW. Any employee of, or independent contrac-  
40 tor to, the appraisal management company that performs an appraisal review  
41 shall be licensed or certified in this state or another state; provided that  
42 if a value opinion is provided, the person must be licensed in this state. A  
43 person performing a review that does not fall under the definition of an ap-  
44 praisal review is not required to be certified or licensed in any state.

45 54-4130. APPRAISER COMPENSATION. Except in cases of breach of con-  
46 tract or substandard performance of services, an appraisal management  
47 company shall pay an appraiser for the completion of an appraisal or val-



1 valuation assignment not later than forty-five (45) days after the date the  
2 appraiser provides the completed appraisal or valuation assignment to the  
3 company or its assignee unless otherwise agreed to by the parties. An ap-  
4 praiser with an adjudicated claim for fees unpaid for more than forty-five  
5 (45) days may assert a claim against the bond or letter of credit required in  
6 section 54-4124, Idaho Code.

7 54-4131. APPRAISER INDEPENDENCE. (1) It shall be a violation of this  
8 act for any employee, director, officer or agent of an appraisal management  
9 company registered in this state to engage in any act or practice that vio-  
10 lates appraisal independence as described in or pursuant to the provisions  
11 of this act.

12 (2) For purposes of subsection (1) of this section, acts or practices  
13 that violate appraisal independence shall include:

14 (a) Any appraisal of a property offered as security for repayment of  
15 the consumer credit transaction that is conducted in connection with  
16 such transaction in which a person with an interest in the underlying  
17 transaction compensates, coerces, extorts, colludes, instructs, in-  
18 duces, bribes or intimidates a person, appraisal management company,  
19 firm or other entity conducting or involved in an appraisal, or attempts  
20 to compensate, coerce, extort, collude, instruct, induce, bribe, or  
21 intimidate such a person, for the purpose of causing the appraisal value  
22 assigned, under the appraisal, to the property to be based on any factor  
23 other than the independent judgment of the appraiser;

24 (b) Mischaracterizing, or suborning any mischaracterization of, the  
25 appraised value of the property securing the extension of credit;

26 (c) Seeking to influence an appraiser or otherwise to encourage a tar-  
27 geted value in order to facilitate the making or pricing of the transac-  
28 tion; and

29 (d) Withholding or threatening to withhold timely payment for an ap-  
30 appraisal report or for appraisal services rendered when the appraisal  
31 report or services are provided for in accordance with the contract be-  
32 tween the parties.

33 (3) The requirements of subsections (1) and (2) of this section shall  
34 not be construed as prohibiting an appraisal management company, employee of  
35 an appraisal management company, consumer or any other person with an inter-  
36 est in a real estate transaction from asking an appraiser to undertake one  
37 (1) or more of the following:

38 (a) Consider additional appropriate property information, including  
39 the consideration of additional comparable properties to make or sup-  
40 port an appraisal;

41 (b) Provide further detail, substantiation or explanation for the ap-  
42 praiser's consideration in the value conclusion; or

43 (c) Correct objective errors in the appraisal report.

44 (4) Any appraisal management company, employee of an appraisal manage-  
45 ment company or any other person involved in a real estate transaction in-  
46 volving an appraisal in connection with a consumer credit transaction who  
47 has a reasonable basis to believe an appraiser is failing to comply with the  
48 uniform standards of professional appraisal practice, is violating applica-

1 ble laws, or is otherwise engaging in unethical or unprofessional conduct,  
2 shall refer the matter to the board.

3 (5) Every AMC shall establish and comply with processes and controls  
4 reasonably designed to ensure that the AMC, in engaging an appraiser, se-  
5 lects an appraiser who is independent of the transaction and who has the  
6 requisite education, expertise and experience necessary to competently com-  
7 plete the appraisal assignment for the particular market and property type.  
8 Every AMC shall establish and comply with processes and controls reasonably  
9 designed to ensure that the AMC conducts its appraisal management services  
10 in accordance with the requirements of 15 U.S.C. 1639e (a) through (i), and  
11 regulations thereunder.

12 54-4132. ADDITIONAL POWERS OF THE BOARD. In addition to the powers  
13 conferred elsewhere in this chapter, the board shall have the power under  
14 this act, in relation to appraisal management companies, to:

15 (1) Authorize by written agreement the bureau of occupational licenses  
16 to act as its agent, to act in its interest and, in its discretion, to con-  
17 tract with the bureau of occupational licenses for those services deemed  
18 necessary for the proper administration of this act;

19 (2) Adopt, pursuant to the administrative procedure act, rules that are  
20 consistent with the provisions of this act and are not in conflict with state  
21 or federal law that may be reasonably necessary to implement, administer and  
22 enforce the provisions of this act;

23 (3) Conduct investigations into violations of this act;

24 (4) Receive applications for and approve registration of appraisal  
25 management companies pursuant to the provisions of this act;

26 (5) Hold meetings and hearings at such times as it may designate;

27 (6) Collect, deposit and disburse application and other fees and in-  
28 come;

29 (7) Collect the actual costs and fees, including attorney's fees, in-  
30 curred by the board in the investigation and prosecution of an AMC upon the  
31 finding of a violation of this act or a rule adopted or an order issued by the  
32 board under this act;

33 (8) Take such action as may be necessary to enforce the provisions of  
34 this act and to regulate appraisal management companies;

35 (9) Report an AMC's violation of applicable appraisal-related laws,  
36 regulations or orders, as well as disciplinary and enforcement actions or  
37 other relevant information about an AMC's operations to state and federal  
38 agencies; and

39 (10) Require new applicants, owners or designated controlling persons  
40 for each new applicant to submit to a satisfactory fingerprint-based crimi-  
41 nal history check of the Idaho central criminal database and the federal bu-  
42 reau of investigation criminal history database and to collect fees from ap-  
43 plicants for the cost of such background checks.

44 54-4133. ENFORCEMENT. In addition to the powers conferred in section  
45 54-4107(2), Idaho Code, the board may conduct investigations of AMCs and  
46 may, after notice and hearing, censure an appraisal management company,  
47 conditionally or unconditionally suspend, revoke or deny the issuance or  
48 renewal of any registration or any license issued under this act for viola-

1 tions of this act, appraisal-related laws or rules or orders of the board.  
2 The board may, in a final order, levy fines or impose civil penalties not to  
3 exceed two thousand five hundred dollars (\$2,500) for each violation if the  
4 board finds an appraisal management company is attempting to perform, has  
5 performed or has attempted to perform any of the following acts:

- 6 (1) Any act in violation of this act;  
7 (2) A material violation of any rule or order adopted by the board; or  
8 (3) Procuring a registration or the renewal of a registration for it-  
9 self or any other person by making a false statement, submitting false infor-  
10 mation or refusing to provide complete information in response to a question  
11 in an application.

12 54-4134. FEDERAL REGISTRY REQUIREMENTS. (1) The board shall collect  
13 from each AMC registered or seeking to be registered in this state the infor-  
14 mation that the appraisal subcommittee requires to be submitted to it by the  
15 state pursuant to regulations or guidance promulgated by the appraisal sub-  
16 committee.

17 (2) A federally regulated AMC operating in this state shall report to  
18 the board the information required to be submitted by the state to the ap-  
19 praisal subcommittee, pursuant to the appraisal subcommittee's policies re-  
20 garding the determination of the AMC national registry fee. These reports  
21 shall include:

22 (a) A report to the board in a form prescribed by the board of the intent  
23 of the federally regulated AMC to operate in this state;

24 (b) Information related to whether the AMC is owned in whole or in part,  
25 directly or indirectly, by any person who has had an appraiser license  
26 or certificate refused, denied, canceled, surrendered in lieu of revo-  
27 cation, or revoked in any state for a substantive cause, as determined  
28 by the appraisal subcommittee; and

29 (c) If such person has had such action taken on his appraisal license,  
30 the board shall collect information related to whether the license was  
31 revoked for a substantive cause and if it has been reinstated by the  
32 state or states in which the appraiser was licensed.