

ASSEMBLY BILL

No. 1796

Introduced by Assembly Member Hall

February 10, 2010

An act to add Section 11345.8 to the Business and Professions Code, relating to real estate appraisers.

LEGISLATIVE COUNSEL'S DIGEST

AB 1796, as introduced, Hall. Appraisal management companies.

Existing law, the Real Estate Appraisers' Licensing and Certification Law, provides for the licensure and regulation of real estate appraisers and vests the duty of enforcing and administering that law in the Office of Real Estate Appraisers. Existing law requires appraisal management companies, as defined, to register with the Office of Real Estate Appraisers, and subjects those entities to the provisions of the Real Estate Appraisers' Licensing and Certification Law.

This bill would require the Director of the Office of Real Estate Appraisers to adopt specified regulations governing appraisal management companies.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. In 2009, the Legislature enacted Senate Bill 237
2 (Chapter 173 of the Statutes of 2009) to require appraisal
3 management companies (AMCs) to register with the Office of
4 Real Estate Appraisers (OREA) and be subject to the provisions
5 of the Real Estate Appraisers' Licensing and Certification Law

1 (Part 3 (commencing with Section 11300) of Division 4 of the
2 Business and Professions Code). The Legislature finds and declares
3 that further delineation of the authority of OREA is necessary to
4 clarify its ability to regulate the activities of AMCs.

5 SEC. 2. Section 11345.8 is added to the Business and
6 Professions Code, to read:

7 11345.8. The director shall adopt regulations governing
8 appraisal management company activities, including, but not
9 limited to, the following:

- 10 (a) Use of out-of-area appraisers.
- 11 (b) Timeliness and accuracy of appraisers' work product.
- 12 (c) Conflict of interest guidelines regarding referrals from a
13 controlling lender or title company.
- 14 (d) Maintenance of policies that ensure compliance with the
15 requirements of Section 1090.5 of the Civil Code.