

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 1973

STATE OF NEW JERSEY
217th LEGISLATURE

ADOPTED JUNE 20, 2016

Sponsored by:

Assemblyman VINCENT PRIETO

District 32 (Bergen and Hudson)

Assemblywoman AMY H. HANDLIN

District 13 (Monmouth)

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Senator BRIAN P. STACK

District 33 (Hudson)

Co-Sponsored by:

Assemblyman Holley

SYNOPSIS

“Appraisal Management Company Registration and Regulation Act.”

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on September 26, 2016, with amendments.



(Sponsorship Updated As Of: 2/14/2017)

1 AN ACT concerning the regulation of appraisal management
2 companies, ¹**[and]**¹ amending and supplementing P.L.1991,
3 c.68 ¹, amending P.L.1997, c.401, and repealing sections 12 and
4 13 of P.L.1991, c.68¹.
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:
8

9 1. (New section) Sections 1 through 23 and section ¹**[25]** 32¹
10 of this act shall be known and may be cited as the “Appraisal
11 Management Company Registration and Regulation Act.”
12

13 2. (New section) The Legislature finds and declares that it is in
14 the public interest to establish registration requirements for real
15 estate appraisal management companies that employ, contract,
16 retain or otherwise utilize the services of licensed and certified real
17 estate appraisers to provide appraisal services in New Jersey. This
18 act is intended to provide the State Real Estate Appraiser Board
19 with authority to implement certain provisions of amendments in
20 the Mortgage Reform and Anti-Predatory Lending Act of 2010,
21 Pub.L.111-203, Subtitle F. Sec.1473(2) adding Section1124 to Title
22 XI of the federal Financial Institutions Reform, Recovery and
23 Enforcement Act of 1989 (12 U.S.C. 3353) (FIRREA), and the
24 Truth in Lending Act, Pub.L.90-321 (15 U.S.C. 1601 et seq.), which
25 amendments give certain authority and responsibilities to the board.
26

27 3. (New section) As used in this act:

28 “Administrative Quality Control Examination” means an
29 examination of an appraisal report for compliance and completeness
30 including grammatical, typographical, or other similar errors, which
31 may be performed by a person who is not a State certified or
32 licensed real estate appraiser, but which shall not include unbiased
33 analysis, opinion or conclusion relating to the nature, quality, value
34 or utility of specified interests in, or aspects of, real estate, or any
35 similar function of appraisal practice, including but not limited, to
36 those functions in the performance of an appraisal review.

37 “Affiliate” means any company that controls, is controlled by, or
38 is under common control of another company.

39 “AMC National Registry” means the registry of state-registered
40 appraisal management companies and federally regulated appraisal
41 management companies maintained by the Appraisal Subcommittee.

42 “Appraisal Foundation” means the Appraisal Foundation
43 established on November 30, 1987, as a not-for-profit corporation
44 under the laws of Illinois.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus] in the above bill is not enacted and is intended to be omitted in the law.**

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SBA committee amendments adopted September 26, 2016.

1 “Appraisal” or “real estate appraisal” means the same as that
2 term is defined pursuant to section 2 of P.L.1991, c.68 (C.45:14F-
3 2), and shall be specifically construed to include appraisal reviews
4 performed by, for, and on behalf of an appraisal management
5 company.

6 “Appraisal management company” or “AMC” means a person
7 that:

8 (1) provides appraisal management services to creditors or to
9 secondary mortgage market participants, including affiliates;

10 (2) provides such services in connection with valuing a
11 consumer’s principal dwelling as security for a consumer credit
12 transaction or incorporating such transactions into securitizations;
13 and

14 (3) within a 12-month calendar year, oversees an appraiser panel
15 of more than 15 state-certified or state-licensed appraisers in New
16 Jersey or 25 or more state-certified or state-licensed appraisers in
17 two or more states.

18 An AMC does not include a department or division of an entity
19 that provides appraisal management services only to that entity.

20 “Appraisal management services” means one or more of the
21 following:

22 (1) recruiting, selecting, and retaining appraisers;

23 (2) contracting with state-certified or state-licensed appraisers to
24 perform appraisal assignments;

25 (3) managing the process of having an appraisal performed,
26 including providing administrative services, such as receiving
27 appraisal orders and appraisal reports, submitting completed
28 appraisal reports to creditors and secondary market participants,
29 collecting fees from creditors and secondary market participants for
30 services provided, and paying appraisers for services performed;
31 and

32 (4) reviewing and verifying the work of appraisers.

33 “Appraiser panel” means a network, list, or roster of licensed or
34 certified appraisers approved by an AMC to perform appraisals as
35 independent contractors for the AMC. Appraisers on an AMC’s
36 “appraiser panel” include both appraisers accepted by the AMC for
37 consideration for future appraisal assignments in covered
38 transactions or for secondary mortgage market participants in
39 connection with covered transactions, and appraisers engaged by
40 the AMC to perform one or more appraisals in covered transactions
41 or for secondary mortgage market participants in connection with
42 covered transactions. An appraiser is an independent contractor if
43 the appraiser is treated as an independent contractor by the AMC
44 for purposes of federal income taxation.

45 “Appraisal review” means the act or process of developing and
46 communicating an opinion about the quality of another appraiser’s
47 work that was performed as part of an appraisal assignment related
48 to the appraiser's data collection, analysis, opinions, conclusions,

1 estimate of value, or compliance with the Uniform Standards of
2 Professional Appraisal Practice. This term does not include:

3 (1) a general examination for grammatical, typographical, or
4 other similar errors; or

5 (2) a general examination for completeness, including
6 regulatory or client requirements as specified in the agreement
7 process that does not communicate an opinion of value.

8 “Appraiser” means a State certified real estate appraiser, State
9 certified general or residential real estate appraiser, or State
10 licensed real estate appraiser, as those terms are defined pursuant to
11 section 2 of P.L.1991, c.68 (C.45:14F-2).

12 “Board” means the State Real Estate Appraiser Board established
13 pursuant to section 3 of P.L.1991, c.68 (C.45:14F-3).

14 “Consumer credit” means credit offered or extended to a
15 consumer primarily for personal, family, or household purposes.

16 “Controlling person” means:

17 (1) an officer, director, or owner of greater than a 10 percent
18 interest, of a corporation, partnership or other business entity,
19 seeking to act as an appraisal management company in this State;

20 (2) an individual employed, appointed, or authorized by an
21 appraisal management company who has the authority to enter into
22 a contractual relationship with other persons for the performance of
23 services requiring registration as an appraisal management company
24 and has the authority to enter into agreements with appraisers for
25 the performance of appraisals; or

26 (3) an individual who possesses, directly or indirectly, the
27 power to direct or cause the direction of the management or policies
28 of an appraisal management company.

29 “Covered transaction” means any consumer credit transaction
30 secured by the consumer’s principal dwelling.

31 “Creditor” means:

32 (1) a person who regularly extends consumer credit that is
33 subject to a finance charge or is payable by written agreement in
34 more than four installments, not including a down payment, and to
35 whom the obligation is initially payable, either on the face of the
36 note or contract, or by agreement when there is no note or contract;
37 or

38 (2) a person who regularly extends consumer credit if the person
39 extended credit, other than credit subject to the requirements of 12
40 CFR1026.32, more than five times for transactions secured by a
41 dwelling in the preceding calendar year; if a person did not meet
42 these numerical standards in the preceding calendar year, the
43 numerical standards shall be applied to the current calendar year. A
44 person regularly extends consumer credit if, in any 12-month
45 period, the person originates more than one credit extension that is
46 subject to the requirements of 12 CFR1026.32 or one or more such
47 credit extensions through a mortgage broker.

1 “Dwelling” means a residential structure that contains one to
2 four units, whether or not that structure is attached to real property,
3 including an individual condominium unit, cooperative unit, mobile
4 home, or trailer, if it is used as a residence. A consumer can have
5 only one principal dwelling at a time; a vacation or other second
6 home is not considered a principal dwelling. However, if a
7 consumer buys or builds a new dwelling that will become the
8 consumer’s principal dwelling within one year or upon the
9 completion of construction, the new dwelling is considered the
10 principal dwelling for purposes of this definition.

11 “Employee relocation management company” means a business
12 entity whose exclusive business services are not for mortgage
13 purposes but include the relocation of employees as an agent or
14 contractor for the employer or the employer’s agent for the
15 purposes of determining an anticipated sales price of the residence
16 of an employee being relocated by the employer in the course of its
17 business.

18 “Federal financial institution regulatory agencies” includes the
19 Consumer Financial Protection Bureau, Board of Governors of the
20 Federal Reserve System, the Federal Deposit Insurance
21 Corporation, the Federal Housing Finance Agency, the Office of the
22 Comptroller of the Currency, and the National Credit Union
23 Administration.

24 “Federally regulated AMC” means an AMC that is owned and
25 controlled by an insured depository institution, as defined in 12
26 U.S.C. 1813 and regulated by the Office of the Comptroller of the
27 Currency, the Board of Governors of the Federal Reserve System,
28 or the Federal Deposit Insurance Corporation.

29 “Federally related transaction” means the same as that term is
30 defined pursuant to section 2 of P.L.1991, c.68 (C.45:14F-2).

31 “Federally related transaction regulations” means regulations
32 established by the Office of the Comptroller of the Currency, the
33 Board of Governors of the Federal Reserve System, the Federal
34 Deposit Insurance Corporation, ¹the Federal Housing Finance
35 Agency¹ or the National Credit Union Administration, pursuant to
36 sections 1112, 1113, and 1114 of FIRREA Title XI, 12 U.S.C.
37 3341-3343.

38 “Person” means a natural person or an organization, including a
39 corporation, partnership, proprietorship, association, cooperative,
40 estate, trust, or government unit.

41 “Real estate-related financial transaction” means any transaction
42 involving the sale, lease, purchase, investment in, or exchange of
43 real property, including interests in property or the financing
44 thereof:

- 45 (1) the refinancing of real property or interests in real property.
46 (2) the use of real property or interests in property as security
47 for a loan or investment, including mortgage-backed securities.

1 “Secondary mortgage market participant” means a guarantor or
2 insurer of mortgage-backed securities, or an underwriter or issuer of
3 mortgage-backed securities. Secondary mortgage market participant
4 only includes an individual investor in a mortgage-backed security
5 if that investor also serves in the capacity of a guarantor, insurer,
6 underwriter, or issuer for the mortgage-backed security.

7 “Uniform Standards of Professional Appraisal Practice” ¹or
8 “USPAP”¹ means the current standards of the appraisal profession,
9 developed for appraisers and users of appraisal services by the
10 Appraisal Standards Board of the Appraisal Foundation, in
11 accordance with the standards established by the board as provided
12 under subsection g. of section 8 of P.L.1991, c.68 (C.45:14F-8).

13
14 4. (New section) The board shall have the authority to adopt
15 rules that are reasonably necessary to establish an AMC
16 ¹“licensing” registration¹ program and implement, administer, and
17 enforce the provisions set forth under this section.

18 a. The board shall have the legal authority and mechanisms to:
19 (1) review, and approve or deny an AMC’s application for
20 initial registration;

21 (2) review and renew, or review and deny an AMC’s
22 registration periodically;

23 (3) examine the books and records of an AMC operating in the
24 State and require the AMC to submit reports, information, and
25 documents;

26 (4) verify that the appraisers on the AMC’s appraiser panel hold
27 valid State certifications or licenses, as applicable;

28 (5) conduct investigations of AMCs to assess potential
29 violations of applicable appraisal-related laws, regulations, or
30 orders;

31 (6) discipline, suspend, terminate, or deny renewal of the
32 registration of an AMC that violates applicable appraisal-related
33 laws, regulations, or orders; and

34 (7) report ¹to the Appraisal Subcommittee or other appropriate
35 federal regulatory agency¹ an AMC’s ¹or other third-party appraisal
36 or appraisal management services provider’s¹ violation of
37 applicable appraisal-related laws, regulations, or orders, as well as
38 disciplinary and enforcement actions and other relevant information
39 about an AMC’s operations, ¹“to the Appraisal Subcommittee” or
40 other third-party appraisal or appraisal management services
41 provider’s operations¹.

42 b. The board shall impose requirements on AMCs that are not
43 owned and controlled by an insured depository institution and not
44 regulated by a federal financial institution regulatory agency to:

45 (1) register with and be subject to supervision by the State
46 appraiser certifying and licensing agency;

- 1 (2) engage only State-certified or State-licensed appraisers for
2 federally related transactions in conformity with any federally
3 related transaction regulations;
- 4 (3) establish and comply with processes and controls reasonably
5 designed to ensure that the AMC, in engaging an appraiser, selects
6 an appraiser who is independent of the transaction and who has the
7 requisite education, expertise, and experience necessary to
8 competently complete the appraisal assignment for the particular
9 market and property type;
- 10 (4) direct the appraiser to perform the assignment in accordance
11 with USPAP; and
- 12 (5) establish and comply with processes and controls reasonably
13 designed to ensure that the AMC conducts its appraisal management
14 services in accordance with the requirements of section 129E(a)-(i)
15 of the Truth in Lending Act, 15 U.S.C. 1639e(a)-(i), and regulations
16 promulgated thereunder.
- 17
- 18 5. (New section) For purposes of determining whether, within
19 the 12-month period defined by the State, an AMC oversees an
20 appraiser panel of more than 15 state-certified or state-licensed
21 appraisers in New Jersey or 25 or more state-certified or state-
22 licensed appraisers in two or more states, pursuant to the definition
23 of “AMC” as defined in section 3 of this act ¹[.]:¹
- 24 a. An appraiser is deemed part of the AMC’s appraiser panel as
25 of the earliest date on which the AMC:
- 26 (1) accepts the appraiser for the AMC’s consideration for future
27 appraisal assignments in covered transactions or for secondary
28 mortgage market participants in connection with covered
29 transactions; or
- 30 (2) engages the appraiser to perform one or more appraisals on
31 behalf of a creditor for covered transactions or secondary mortgage
32 market participant in connection with covered transactions.
- 33 b. An appraiser who is deemed part of the AMC’s appraiser
34 panel pursuant to subsection a. of this section is deemed to remain
35 on the panel until the date on which the AMC:
- 36 (1) sends written notice to the appraiser removing the appraiser
37 from the appraiser panel, with an explanation of its action; or
- 38 (2) receives written notice from the appraiser asking to be
39 removed from the appraiser panel or notice of the death or
40 incapacity of the appraiser.
- 41 c. If an appraiser is removed from an AMC’s appraiser panel
42 pursuant to subsection b. of this section, but the AMC subsequently
43 accepts the appraiser for consideration for future assignments or
44 engages the appraiser at any time during the 12 months after the
45 appraiser’s removal, the removal will be deemed not to have
46 occurred, and the appraiser will be deemed to have been part of the
47 AMC’s appraiser panel without interruption.

- 1 d. Prior to assigning appraisal orders, an appraisal management
2 company shall have a system in place to verify that a person being
3 added to the appraiser panel holds the appropriate appraiser
4 credential in good standing.
5
- 6 6. (New section) a. No person shall, directly or indirectly,
7 engage or attempt to engage in business as an appraisal
8 management company, or advertise or hold itself out as engaging in
9 or conducting business as an appraisal management company
10 without first obtaining a registration issued by the board under the
11 provisions of this act.
- 12 b. The registration required by subsection a. of this section
13 shall include the following written information on a form prescribed
14 by the board and which shall be certified by the compliance officer
15 of the appraisal management company:
- 16 (1) The name of the entity or individual seeking registration,
17 and the fictitious name or names, if any, under which it does
18 business in any state;
- 19 (2) The business address of the entity or individual seeking
20 registration;
- 21 (3) The telephone number of the entity or individual seeking
22 registration;
- 23 (4) The name and contact information for the individual's or
24 entity's agent for service of process in this State, if the entity or
25 individual is not a corporation that is domiciled in this State;
- 26 (5) The name, address, and contact information for any
27 individual or any corporation, partnership, or other business entity
28 that owns 10 percent or more of the appraisal management
29 company;
- 30 (6) The name, address, and telephone number for one
31 controlling person designated as the main contact for all
32 communication between the appraisal management company and
33 the board;
- 34 (7) A certification that the entity or individual has a system and
35 process in place to verify that a person being added to the appraiser
36 panel of the appraisal management company holds a license or
37 certification in good standing in this State pursuant to the "Real
38 Estate Appraisers Act," P.L.1991, c.68 (C.45:14F-1 et seq.);
- 39 (8) A certification that the entity or individual requires
40 appraisers completing appraisals, including but not limited to
41 appraisals and appraisal reviews, at its request to comply with the
42 Uniform Standards of Professional Appraisal Practice promulgated
43 by the Appraisal Standards Board of the Appraisal Foundation,
44 including the requirements for geographic and product competence;
- 45 (9) A certification that the entity or individual has a system in
46 place to verify that only licensed or certified appraisers are used for
47 federally related transactions;

1 (10) A certification that the entity or individual has a system in
2 place to require that appraisals are conducted independently and
3 free from inappropriate influence and coercion as required by the
4 appraisal independence standards established under section 1639e
5 of the federal Truth in Lending Act, Pub.L.90-321 (15 U.S.C.
6 s.1639e), including the requirements for payment of customary and
7 reasonable compensation to fee appraisers when the appraisal
8 management company is providing services for a consumer credit
9 transaction secured by the principal dwelling of a consumer;

10 (11) A certification by the board that the entity maintains a
11 detailed record of each service request that it receives and the name
12 of the appraiser that performs the residential real estate appraisal
13 services for the appraisal management company;

14 (12) Whenever applicable, an irrevocable Uniform Consent to
15 Service of Process pursuant to section 8 of this act; and

16 (13) Any other information as required by the board that is
17 reasonably necessary to implement this act.

18 c. An application for the renewal of a registration shall include
19 information substantially similar to that required under subsection
20 b. of this section for an initial registration, as determined by the
21 board.

22

23 7. (New section) The provisions of this act:

24 a. shall apply to an appraisal management company in
25 accordance with section 1124(a), (b) and (c) of Subtitle F of the
26 Mortgage Reform and Anti-Predatory Lending Act of 2010,
27 Pub.L.111-203, amending the Financial Institutions Reform
28 Recovery and Enforcement Act (12 U.S.C. s3353 (a), (b), (c)); and

29 b. shall not apply to:

30 (1) an employee relocation management company in the course
31 of employee relocation pursuant to its relocation policy; or

32 (2) a person or entity that exclusively employs appraisers on an
33 employer and employee basis for the performance of appraisals for
34 a variety of clients or intended uses of the appraisal other than
35 mortgage lending consumer credit transactions secured by a
36 consumer's principal dwelling.

37

38 8. (New section) An entity or individual applying for a
39 registration as an appraisal management company that is not
40 domiciled in this State shall complete an irrevocable Uniform
41 Consent to Service of Process, as prescribed by the board.

42

43 9. (New section) a. The board shall establish by regulation
44 an application fee to be paid by each appraisal management
45 company seeking registration under this act that is sufficient for the
46 administration of the registration process, but in no case shall the
47 fee be more than \$2,500.

1 b. A processing fee, similar to that provided for in subsection a.
2 of this section not to exceed \$2,500, may be charged by the board in
3 connection with the renewal of a registration.

4 c. A registration granted by the board pursuant to this act shall
5 be effective for a ¹one-year two-year¹ period and may be
6 renewed ¹annually biennially¹.

7 d. The board shall require of each appraisal management
8 company seeking registration a surety bond of \$25,000.

9 e. ¹All Except as otherwise required by federal law, all¹ fees
10 paid by appraisal management companies shall be dedicated to use
11 by the board for regulation of appraisal management companies and
12 State certified and licensed real estate appraisers regulated by the
13 board pursuant to State and federal law.

14
15 10. (New section) a. An appraisal management company
16 applying to the board for registration in this State shall not:

17 (1) in whole or in part, directly or indirectly, be owned by any
18 person who has had an appraiser license or certificate in this State
19 or in any other state, refused, denied, cancelled, surrendered in lieu
20 of revocation, or revoked;

21 (2) be ¹more than 10 percent owned by subject to the
22 ownership, control, direction, or authority of, or employ, appoint, or
23 otherwise retain,¹ a ¹controlling¹ person who is not of good moral
24 character, which for purposes of this section shall require that such
25 person has not been convicted of, or entered a plea of nolo
26 contendere to, a crime relating to the practice of appraisal or any
27 crime involving financial services, fraud, misrepresentation or
28 moral turpitude.

29 b. For purposes of paragraph (2) of subsection a. of this
30 section, each ¹owner of more than 10 percent controlling person¹
31 of an appraisal management company shall submit to a background
32 investigation to be carried out by the board, in accordance with
33 standards as established by the board by regulation.

34 ¹c. The background investigation authorized under subsection b.
35 of this section shall include but is not limited to a criminal history
36 record information check conducted in accordance with sections 3
37 and 4 of P.L.1997, c.401 (C.45:14F-10.1 and C.45:14F-10.2).¹

38
39 11. (New section) An appraisal management company applying
40 to the board for registration in this State shall designate one
41 controlling person that will be the designated contact for all
42 communication between the board and the appraisal management
43 company.

44
45 12. (New section) A violation of this section may constitute
46 grounds for discipline against an appraisal management company
47 registered in this State. However, nothing in this act shall be

1 construed as preventing an appraisal management company from
2 requesting that an appraiser provide additional information about
3 the basis for a valuation, correct objective factual errors in an
4 appraisal report, or consider additional appropriate property
5 information. No employee, director, officer, agent, independent
6 contractor, or other third party acting on behalf of an appraisal
7 management company shall do any of the following:

- 8 a. procure or attempt to procure a registration or renewal by
9 knowingly making a false statement, submitting false information,
10 or refusing to provide complete information in response to a
11 question in an application for registration or renewal;
- 12 b. willfully violate this act or rules of the board pertaining
13 thereto;
- 14 c. improperly influence or attempt to improperly influence the
15 development, reporting, result, or a review of an appraisal through
16 intimidation, coercion, extortion, bribery, or any other manner,
17 including:
 - 18 (1) withholding payment for appraisal services;
 - 19 (2) threatening to exclude an appraiser from future work or
20 threatening to demote or terminate in order to improperly obtain a
21 desired result;
 - 22 (3) conditioning payment of an appraisal fee upon the opinion,
23 conclusion, or valuation to be reached; or
 - 24 (4) requesting that an appraiser report a predetermined opinion,
25 conclusion, or valuation or the desired valuation of any person or
26 entity;
- 27 d. alter, amend, or change an appraisal report submitted by an
28 appraiser without the appraiser's knowledge and written consent;
- 29 e. except within the first 90 days after an independent appraiser
30 is added to an appraiser panel, remove an independent appraiser
31 from an appraiser panel without prior written notice to the
32 appraiser, with the prior written notice including evidence of the
33 following, if applicable:
 - 34 (1) the appraiser's illegal conduct;
 - 35 (2) a violation of Uniform Standards of Professional Appraiser
36 Practice, this act or the rules adopted by the board;
 - 37 (3) improper or unprofessional conduct; and
 - 38 (4) substandard performance or other substantive deficiencies;
- 39 f. require an appraiser to sign any indemnification agreement
40 that would require the appraiser to defend and hold harmless the
41 appraisal management company or any of its agents or employees
42 for any liability, damage, losses, or claims arising out of the
43 services performed by the appraisal management company or its
44 agents, employees, or independent contractors and not the services
45 performed by the appraiser;
- 46 g. prohibit lawful communications between the appraiser and
47 any other person who the appraiser, in the appraiser's professional
48 judgment, believes possesses information that would be relevant;

1 h. engage in any other act or practice that impairs or attempts
2 to impair a real estate appraiser's independence, objectivity, and
3 impartiality;

4 i. fail to timely respond to any subpoena or any other request
5 for information;

6 j. fail to timely obey an administrative order of the board; or

7 k. fail to fully cooperate in any investigation.
8

9 13. (New section) An employee of, or independent contractor
10 to, an appraisal management company that performs a Uniform
11 Standards of Professional Appraisal Practice Standard 3 review of
12 an appraisal report on property located in this State shall be an
13 appraiser with the proper level of licensure, as prescribed pursuant
14 to P.L.1991, c.68 (C.45:14F-1 et seq.). The provisions of this
15 section shall not apply to any individual conducting an
16 Administrative Quality Control Examination.
17

18 14. (New section) a. With respect to reporting requirements for
19 non-federally regulated appraisal management companies, the board
20 will collect from each AMC registered or seeking to be registered in
21 the State the information and fees that the Appraisal Subcommittee
22 requires to be submitted to it by the State pursuant to regulations or
23 guidance promulgated by the Appraisal Subcommittee.

24 b. With respect to reporting requirements for federally
25 regulated appraisal management companies: a federally regulated
26 AMC operating in the State shall report to the board the information
27 required to be submitted by the State to the Appraisal
28 Subcommittee, pursuant to the Appraisal Subcommittee's policies
29 regarding the determination of the AMC National Registry fee.
30 These reporting requirements will be set forth by the board by rule,
31 and shall include:

32 (1) a report to the board on a form prescribed by the board of
33 intent to operate in this State;

34 (2) information related to whether the AMC is owned in whole
35 or in part, directly or indirectly, by any person who has had an
36 appraiser license or certificate refused, denied, cancelled,
37 surrendered in lieu of revocation, or revoked in any state for a
38 substantive cause, as determined by the Appraisal Subcommittee;
39 and

40 (3) if a person has had action taken on his or her appraisal
41 license, the board shall collect information related to whether the
42 license was revoked for a substantive cause and if it has been
43 reinstated by the state or states in which the appraiser was licensed
44 or certified.

45 ¹c. The board is authorized to collect from a federal regulated
46 AMC operating in the State for submission to the Appraisal
47 Subcommittee the AMC National Registry fee.¹

- 1 15. (New section) An appraisal management company seeking
2 to be registered in this State shall certify to the board, annually, that
3 it:
- 4 a. requires appraisers completing appraisals, including
5 appraisal reviews, at its request to comply with the Uniform
6 Standards of Professional Appraisal Practice, including the
7 requirements for geographic and product competence;
 - 8 b. has a system in place to verify that only licensed or certified
9 appraisers are used for appraisals covered under this act, including,
10 but not limited to, those performed for federally related
11 transactions, and appraisals pursuant to the provisions of the “Real
12 Estate Appraisers Act,” P.L.1991, c.68 (C.45:14F-1 et seq.);
 - 13 c. has a system in place to verify that an individual on the
14 appraiser panel has not had a license or certification as an appraiser
15 refused, denied, cancelled, revoked, or surrendered in lieu of a
16 pending revocation.
 - 17 d. has a system in place to require that appraisals are conducted
18 independently and free from inappropriate influence and coercion as
19 required by the appraisal independence standards established under
20 section 1639e of the federal Truth in Lending Act, Pub.L.90-321
21 (15 U.S.C. s.1639e), including the requirements for payment of
22 customary and reasonable compensation to fee appraisers when the
23 appraisal management company is providing services for a
24 consumer credit transaction secured by the principal dwelling of a
25 consumer; and
 - 26 e. is in compliance with State laws and regulations.
- 27
- 28 16. (New section) This act adopts by reference the appraiser
29 independence standards established under section 1639e of the
30 federal Truth in Lending Act, Pub.L.90-321 (15 U.S.C. s.1639e),
31 including:
- 32 a. the requirements for payment of customary and reasonable
33 compensation to fee appraisers when the appraisal management
34 company is providing services for a consumer credit transaction
35 secured by the principal dwelling of a consumer; and
 - 36 b. all necessary enforcement and remedies available under the
37 federal Truth in Lending Act, Pub.L.90-321 (15 U.S.C. 1601 et
38 seq.).
- 39
- 40 17. (New section) An appraisal management company seeking
41 to be registered in this State shall certify to the board, annually, by
42 submission of a statement signed by the appraisal management
43 company, that it maintains a detailed record of each service request
44 that it receives and the name of the appraiser that performs the
45 appraisal for the appraisal management company. Records shall be
46 retained for a period of at least five years after an appraisal is
47 completed or two years after final disposition of a judicial

1 proceeding related to the assignment, whichever period expires
2 later.

3
4 18. (New section) Any State certified or licensed appraiser
5 performing an appraisal assignment, including an appraisal review,
6 for an appraisal management company, shall be responsible to
7 ensure that the conduct of non-appraiser assistance is compatible
8 with the professional responsibilities of the appraiser under federal
9 and State laws and regulations, including but not limited to,
10 conformance with the Uniform Standards of Professional Appraisal
11 Practice. Non-appraiser assistance, shall include, but not be limited
12 to, administrative quality control reviewers, who are agents of,
13 contracted by, employees of, or whose services are otherwise
14 utilized by an appraisal management company, appraiser, or
15 organization.

16
17 19. (New section) a. The board shall issue a unique
18 registration number to each appraisal management company that is
19 registered in this State.

20 b. The board shall maintain a published list of the appraisal
21 management companies that have registered with the board
22 pursuant to this act and have been issued a registration number
23 pursuant to subsection a. of this section.

24 c. An appraisal management company registered in this State
25 shall disclose the registration number provided to it by the board on
26 any engagement documents presented to the appraiser.

27 d. Every appraisal performed pursuant to this act shall contain
28 both the appraisal management company registration number and
29 the amount of the fee received by the appraiser for performance of
30 that appraisal.

31
32 20. (New section) **¹[a.]** Except within the first 90 days after
33 an appraiser is first added to the appraiser panel of an appraisal
34 management company, an appraisal management company shall not
35 remove an appraiser from its appraiser panel, or otherwise refuse to
36 assign requests for real estate appraisal services to an appraiser
37 without:

38 **¹[(1)] a.** notifying the appraiser in writing of the reasons why
39 the appraiser is being removed from the appraiser panel of the
40 appraisal management company;

41 **¹[(2)] b.** notifying the appraiser of the nature of any alleged
42 conduct or violation, if the appraiser is being removed from the
43 panel for illegal conduct, violation of the Uniform Standards of
44 Professional Appraisal Practice, or a violation of State licensing
45 standards;

46 **¹[(3)] c.** providing the appraiser with any evidence, upon
47 which removal is based, including, but not limited to, any appraisal,
48 appraisal review or appraisal consulting report; and

1 ¹[(4)] d.¹ providing an opportunity for the appraiser to respond
2 to the notification of the appraisal management company.

3 Any act of a State certified or licensed real estate appraiser,
4 which constitutes a material violation of the Uniform Standards of
5 Professional Appraisal Practice in the process described in this
6 section, shall be considered prima facie evidence of a violation of
7 the ethics requirements under the Uniform Standards of
8 Professional Appraisal Practice. A material violation, for the
9 purposes of this section, is one that is likely to affect the value
10 estimated in any appraisal utilized in this section, or any other act
11 that reflects on the professional conduct of the appraiser; however,
12 the board shall not be involved in contractual disputes between an
13 appraisal management company and an individual appraiser.

14 ¹[b. An appraiser that is removed from the appraiser panel of an
15 appraisal management company for alleged illegal conduct,
16 violation of the Uniform Standards of Professional Appraisal
17 Practice or violation of State licensing standards may file a
18 complaint with the board for review of the decision of the appraisal
19 management company. The scope of the board's review in any such
20 case shall be limited to determining whether the appraisal
21 management company has complied with the provisions of
22 subsection a. of this section and whether illegal conduct, a violation
23 of the Uniform Standards of Professional Appraisal Practice, or a
24 violation of State licensing standards has occurred.

25 c. If an appraiser files a complaint against an appraisal
26 management company pursuant to subsection b. of this section, the
27 board shall adjudicate the complaint within 180 days of receiving
28 the complaint.

29 d. If after opportunity for hearing and review, the board
30 determines that an appraisal management company acted
31 improperly in removing the appraiser from the appraiser panel, or
32 that the appraiser did not commit a violation of law, a violation of
33 the Uniform Standards of Professional Appraisal Practice, or a
34 violation of State licensing standards, the board shall:

35 (1) provide written findings to the involved parties; and
36 (2) provide an opportunity for the appraisal management
37 company and appraiser to respond to the findings.

38 e. Upon board review of the appraisal management company
39 and appraiser responses pursuant to paragraph (2) of this subsection
40 to the board findings in paragraph (1) of this subsection, the
41 following shall occur:

42 (1) if the board issues a final finding of no reasonable
43 justification for removal of the appraiser from the appraisal
44 management company approved appraiser list by preponderance of
45 the evidence, the board may order that the appraisal management
46 company take certain corrective actions, including, but not limited
47 to, appraiser reinstatement, a fine, suspension or other actions
48 against the appraisal management company under the board's

1 authority in accordance with the “Real Estate Appraisers Act,”
2 P.L.1991, c.68 (C.45:14F-1 et seq.); or

3 (2) if there is a finding by a preponderance of the evidence that
4 the appraisal management company has properly removed the
5 appraiser from the approved appraiser list, then the board may issue
6 a finding that the appraisal management company was justified in
7 such removal and the board may consider disciplinary action
8 against the appraiser.】¹

9

10 21. (New section) a. An appraisal management company shall
11 inform the board when the appraisal management company has a
12 reasonable basis to believe that an appraiser has committed a
13 material violation of:

14 (1) the Uniform Standards of Professional Appraisal Practice;

15 (2) applicable laws; or

16 (3) ethical or professional conduct.

17 b. An appraisal management company shall provide the board
18 with all information in the possession of the appraisal management
19 company in support of any information compiled against an
20 appraiser under this section, including any evidence to support the
21 determination that an appraisal management company has probable
22 cause of a material violation as defined in subsection a. of this
23 section.

24 For the purposes of this section, a material violation is one that is
25 likely to affect the value assigned to a consumer’s principal
26 dwelling.

27

28 22. (New section) Each appraisal management company shall,
29 except in bona fide cases of breach of contract or substandard
30 performance of services, make payment to an appraiser for the
31 completion of an appraisal or valuation assignment within 60 days
32 of the date on which the appraiser transmits or otherwise provides
33 the completed appraisal or valuation study to the appraisal
34 management company or its assignee unless a mutually agreed upon
35 alternate arrangement has been previously established, which
36 agreement shall be considered to be under the appraiser
37 independence requirements of section 1639e of the federal Truth in
38 Lending Act, Pub.L.90-321 (15 U.S.C. s.1639e).

39

40 23. (New section) a. The board may suspend or revoke any
41 registration issued under this act, levy fines, or impose civil
42 penalties if, after appropriate investigation, the board concludes that
43 an appraisal management company is attempting to perform, has
44 performed, or has attempted to perform any of the following:

45 (1) Any action in violation of this act or regulations adopted
46 hereunder;

1 (2) Any action in violation of the “Real Estate Appraisers Act,”
2 P.L.1991, c.68 (C.45:14F-1 et seq.), or regulations adopted
3 thereunder; or

4 (3) Procuring a registration for itself or any other person by
5 fraud, misrepresentation, or deceit.

6 b. When deciding whether to impose a sanction, determining
7 the sanction that is most appropriate in a specific instance, or
8 making any other discretionary decision regarding the enforcement
9 of this act, the board may consider whether an appraisal
10 management company:

11 (1) Has an effective program reasonably designed to ensure
12 compliance with this act;

13 (2) Has taken prompt and appropriate steps to correct and
14 prevent the recurrence of any detected violations; and

15 (3) Has independently reported to the board any significant
16 violations or potential violations of this act, prior to an imminent
17 threat of disclosure or investigation and within a reasonably prompt
18 time after becoming aware of their occurrence.

19 c. The board ¹~~shall~~ may¹ conduct random audits of appraisal
20 management company compliance with this act, and those audits
21 shall be funded through the various fees charged to appraisal
22 management companies as set forth in this act, but an appraisal
23 management company that timely files a certification of compliance
24 in accordance with the provisions of this act shall have a
25 presumption of compliance if that certification is accompanied by a
26 legal opinion letter indicating that all compliance requirements have
27 been satisfied.

28 d. Whenever the board finds cause to refuse to renew, suspend
29 or revoke any registration, or to levy a fine or impose a civil
30 penalty, the board shall notify the registrant of the reasons therefor,
31 in writing, and provide opportunity for a hearing in accordance with
32 the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1
33 et seq.).
34

35 24. Section 3 of P.L.1991, c.68 (C.45:14F-3) is amended to read
36 as follows:

37 3. There is created within the Division of Consumer Affairs in
38 the Department of Law and Public Safety a State Real Estate
39 Appraiser Board. The board shall consist of ~~nine~~ 11 members
40 who are residents of the State, two of whom shall be public
41 members and one of whom shall be a State executive department
42 member appointed pursuant to the provisions of section 2 of
43 P.L.1971, c.60 (C.45:1-2.2). Of the remaining ~~six~~ eight members,
44 three shall be, except for those first appointed, State licensed real
45 estate appraisers ~~and~~, three shall be, except for those first
46 appointed, State certified real estate appraisers, and two shall be
47 representatives of the appraisal management company industry,
48 each of whom shall be State certified real estate appraisers or State

1 licensed real estate appraisers. One representative of the appraisal
2 management company industry shall be affiliated with an appraisal
3 management company that is owned, in whole or in part, by a
4 federally regulated financial institution, and one representative of
5 the appraisal management company industry shall be affiliated with
6 an appraisal management company that is not owned, in whole or in
7 part, by a federally regulated financial institution. The initial real
8 estate appraiser members of the board may hold a real estate
9 appraisal designation from an organization recognized by the
10 Appraisal Foundation, but these appointments shall not be granted
11 or denied on the basis of organizational membership alone.

12 The Governor shall appoint the public members **[and]**, the real
13 estate appraiser members, and the representatives of the appraisal
14 management company industry to the board with the advice and
15 consent of the Senate. The Governor shall appoint each member for
16 a term of three years, except that with regard to the real estate
17 appraiser members first appointed, two shall serve for terms of
18 three years, two shall serve for terms of two years, and two shall
19 serve for terms of one year. Each member shall serve until his
20 successor has been qualified. Any vacancy in the membership of the
21 board shall be filled for the unexpired term in the manner provided
22 by the original appointment. No member of the board shall serve
23 more than two successive terms in addition to any unexpired term to
24 which he has been appointed. The Governor may remove a member
25 of the board for cause.

26 (cf: P.L.1991, c.68, s.3)

27

28 ¹25. Section 8 of P.L.1991, c.68 (C.45:14F-8) is amended to read
29 as follows:

30 8. The board shall, in addition to such other powers and duties
31 as it may possess by law:

32 a. Administer and enforce the provisions of **[this act]** P.L.1991,
33 c.68 (C.45:14F-1 et seq.) and P.L. , c. (C.) (pending before
34 the Legislature as this bill);

35 b. Examine and pass on the qualifications of all applicants for
36 licensure or certification under **[this act]** P.L.1991, c.68 (C.45:14F-
37 1 et seq.) and registration under P.L. , c. (C.) (pending
38 before the Legislature as this bill);

39 c. Issue and renew licenses and certificates of real estate
40 appraisers and registrations of real estate appraisal management
41 companies;

42 d. Prescribe examinations for certification under **[this act]**
43 P.L.1991, c.68 (C.45:14F-1 et seq.), which examinations shall meet
44 the standards for certification examinations for real estate
45 appraisers established by the Appraisal Foundation, and prescribe
46 examinations for licensure under **[this act]** P.L.1991, c.68
47 (C.45:14F-1 et seq.) and P.L. , c. (C.) (pending before the

- 1 Legislature as this bill), which examinations shall meet the
2 standards for licensing examinations for real estate appraisers
3 acceptable to the Appraisal Subcommittee;
- 4 e. Suspend, revoke or refuse to issue or renew a license **[or]**,
5 certificate or registration and exercise investigative powers pursuant
6 to the provisions of P.L.1978, c.73 (C.45:1-14 et seq.) and P.L. ,
7 c. (C.) (pending before the Legislature as this bill);
- 8 f. Establish fees for applications for licensure and certification,
9 examinations, initial licensure and certification, renewals, late
10 renewals, temporary licenses, temporary certifications and for
11 duplication of lost licenses or certificates, pursuant to section 2 of
12 P.L.1974, c.46 (C.45:1-3.2) and for registration as an appraisal
13 management company under section 9 of P.L. , c. (C.)
14 (pending before the Legislature as this bill);
- 15 g. Establish a code of professional ethics for persons licensed
16 or certified under **[this act]** P.L.1991, c.68 (C.45:14F-1 et seq.)
17 which meets the standards established by the Uniform Standards of
18 Professional Appraisal Practice promulgated by the Appraisal
19 Standards Board of the Appraisal Foundation , and establish rules
20 for appraiser independence for appraisers and appraisal
21 managies;
- 22 h. Establish standards for the certification of real estate
23 appraisers which meet or exceed the **[standards established by]**
24 minimum criteria for licensure issued by the Appraisal
25 Qualifications Board of the Appraisal Foundation, and establish
26 standards for the licensing of real estate appraisers which meet
27 **[standards acceptable to the Appraisal Subcommittee]** or exceed
28 the minimum criteria for licensure issued by the Appraisal
29 Qualifications Board of the Appraisal Foundation;
- 30 i. Conduct hearings pursuant to the "Administrative Procedure
31 Act," P.L.1968, c.410 (C.52:14B-1 et seq.). In any hearing or
32 investigative inquiry, the board shall have the right to administer
33 oaths to witnesses, and shall have the power to issue subpoenas for
34 the compulsory attendance of witnesses and the production of
35 pertinent books, papers or records;
- 36 j. Take such action as is necessary before any board, agency or
37 court of competent jurisdiction for the enforcement of the
38 provisions of **[this act]** P.L.1991, c.68 (C.45:14F-1 et seq.) and
39 P.L. , c. (C.) (pending before the legislature as this bill);
- 40 k. Maintain a registry of the names and business addresses of
41 licensees and the names and business addresses of certified
42 individuals and the names and addresses of registered appraisal
43 management companies, and shall forward such materials to the
44 Appraisal Subcommittee of the Federal Financial Institutions
45 Examination Council, and shall comply with any reporting
46 requirements of the Appraisal Subcommittee of the Federal

1 Financial Institutions Examination Council promulgated by any
2 federal agency;

3 l. Approve providers of real estate appraiser education courses
4 and establish and revise experience and education requirements for
5 the licensure and certification of real estate appraisers in this State;

6 m. Approve providers of real estate appraiser continuing
7 education courses and establish and revise continuing education
8 requirements for the renewal of licenses and certificates;

9 n. Adopt and promulgate rules and regulations, pursuant to the
10 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
11 seq.), to effectuate the purposes of **【this act】** P.L.1991, c.68
12 (C.45:14F-1 et seq.), except that the initial rules and regulations
13 shall be promulgated by the director;

14 o. Perform any other functions and duties which may be
15 necessary to carry out the provisions of **【this act】** P.L.1991, c.68
16 (C.45:14F-1 et seq.); and

17 p. Adopt and promulgate rules and regulations by which
18 market analyses by licensed real estate brokers, broker-salespersons
19 and salespersons may be used as credit for experience toward
20 licensure or certification under P.L.1991, c.68 (C.45:14F-1 et
21 seq.).¹

22 (cf: P.L.1995, c.349, s.3)

23

24 ¹26. Section 3 of P.L.1997, c.401 (C.45:14F-10.1) is amended to
25 read as follows:

26 3. a. An applicant for licensure or certification under
27 P.L.1991, c.68 (C.45:14F-1 et seq.) or registration under P.L. ,
28 c. (C.) (pending before the Legislature as this bill) shall not be
29 eligible for licensure **【or】**, certification or registration as the case
30 may be, and any holder of a license or certification under P.L.1991,
31 c.68 (C.45:14F-1 et seq.) or registration under P.L. , c. (C.)
32 (pending before the Legislature as this bill) shall have his license
33 **【or】**, certification or registration revoked if the State Real Estate
34 Appraiser Board determines, consistent with the requirements and
35 standards of this section and section 4 of P.L.1997, c.401
36 (C.45:14F-10.2), that criminal history record information exists on
37 file in the Federal Bureau of Investigation, Identification Division,
38 or in the State Bureau of Identification in the Division of State
39 Police, which would disqualify that individual from being licensed
40 **【or】**, certified or registered. An applicant or a holder of a license
41 **【or】**, certification or registration shall be disqualified from
42 licensure **【or】**, certification or registration if that individual's
43 criminal history record check reveals a record of conviction of any
44 of the following crimes and offenses:

45 (1) In New Jersey, any crime or disorderly persons offense
46 during the five-year period immediately prior to the date of the
47 application or renewal; or

1 (2) any crime more than five years prior to the date of the
2 application or renewal:

3 (a) Involving danger to the person, meaning those crimes and
4 disorderly persons offenses set forth in N.J.S.2C:11-1 et seq.,
5 N.J.S.2C:12-1 et seq., N.J.S.2C:13-1 et seq., N.J.S.2C:14-1 et seq.,
6 or N.J.S.2C:15-1 et seq.; or

7 (b) Involving theft as set forth in chapter 20 of Title 2C of the
8 New Jersey Statutes, forgery and fraudulent practices as set forth in
9 chapter 21 of Title 2C of the New Jersey Statutes, including but not
10 limited to money laundering as set forth in N.J.S.2C:21-25, or
11 perjury and other falsification in official matters as set forth in
12 chapter 28 of Title 2C of the New Jersey Statutes; or

13 (c) Involving any controlled dangerous substances or controlled
14 substance analog as set forth in chapter 35 of Title 2C of the New
15 Jersey Statutes except as set forth in paragraph (4) of subsection a.
16 of N.J.S.2C:35-10.

17 ~~[(2)]~~(3) In any other state or jurisdiction, conduct which, if
18 committed in New Jersey, would constitute any of the crimes or
19 disorderly persons offenses described in paragraph (1) or (2) of this
20 subsection.

21 For purposes of this subsection, a judgement of conviction or a
22 plea of guilty, non vult, nolo contendere or any other such
23 disposition of alleged criminal activity shall be deemed a
24 conviction.

25 b. Notwithstanding the provisions of subsection a. of this
26 section, no individual shall be disqualified from licensure ~~or~~,
27 certification or registration on the basis of any conviction disclosed
28 by a criminal history record check performed pursuant to this
29 section, other than a conviction for a crime during the five-year
30 period immediately prior to the date of the application or renewal or
31 a crime enumerated in subparagraph (b) of paragraph (2) of
32 subsection a. of this section, if the individual has affirmatively
33 demonstrated to the board clear and convincing evidence of his
34 rehabilitation. In determining whether an individual has
35 affirmatively demonstrated rehabilitation, the following factors
36 shall be considered:

37 (1) The nature and responsibility of the position which the
38 convicted individual would hold;

39 (2) The nature and seriousness of the offense;

40 (3) The circumstances under which the offense occurred;

41 (4) The date of the offense;

42 (5) The age of the individual when the offense was committed;

43 (6) Whether the offense was an isolated or repeated incident;

44 (7) Any social conditions which may have contributed to the
45 offense; and

46 (8) Any evidence of rehabilitation, including good conduct in
47 prison or in the community, counseling or psychiatric treatment
48 received, acquisition of additional academic or vocational

1 schooling, successful participation in correctional work-release
2 programs, or the recommendation of persons who have had the
3 individual under their supervision.¹
4 (cf: P.L.1997, c.401, s.3)

5

6 ¹27. Section 4 of P.L.1997, c.401 (C.45:14F-10.2) is amended to
7 read as follows:

8 4. a. An applicant and holder of a license **【or】**, certificate or
9 registration shall submit to the board his name, address and
10 fingerprints taken on standard fingerprint cards or electronically by
11 a State or municipal law enforcement agency or authorized agent.
12 The board is authorized to exchange fingerprint data with and
13 receive criminal history record information from the Federal Bureau
14 of Investigation and the Division of State Police for use in making
15 the determinations required by section 3 of P.L.1997, c.401
16 (C.45:14F-10.1).

17 b. Upon receipt of the criminal history record information for a
18 person from the Federal Bureau of Investigation or the Division of
19 State Police, the board shall notify the applicant, licensee **【or】**,
20 certified individual or registrant, as applicable, in writing, of the
21 person's qualification or disqualification for licensure **【or】**,
22 certification or registration under section 3 of P.L.1997, c.401
23 (C.45:14F-10.1). If the applicant, licensee **【or】**, certified individual
24 or registrant, as applicable, is disqualified, the conviction or
25 convictions which constitute the basis for the disqualification shall
26 be identified in the written notice.

27 c. The applicant, licensee **【or】**, certified individual or
28 registrant, as the case may be, shall have 30 days from the date of
29 written notice of disqualification to petition the board for a hearing
30 on the accuracy of the criminal history record information or to
31 establish his rehabilitation under subsection b. of section 3 of
32 P.L.1997, c.401 (C.45:14F-10.1). The board may refer any case
33 arising hereunder to the Office of Administrative Law for
34 administrative proceedings pursuant to P.L.1968, c.410 (C.52:14B-
35 1 et seq.).

36 d. The board shall not maintain any individual's criminal
37 history record information or evidence of rehabilitation submitted
38 under this section for more than six months from the date of a final
39 determination by the board as to the individual's qualification or
40 disqualification to be licensed **【or】**, certified or registered pursuant
41 to the provisions of this section and section 3 of **【this amendatory**
42 **and supplementary act】** P.L.1997, c.401 (C.45:14F-10.1).

43 e. All costs associated with performing the criminal history
44 check required by P.L.1997, c.401 (C.45:14F-10.1 et al.) shall be
45 borne by the applicant for licensure **【or】**, certification or

1 registration, or the holder of any license **[or]**, certification or
2 registration.¹

3 (cf: P.L.1997, c.401, s.4)

4

5 ¹28. Section 11 of P.L.1991 c.68 (C.45:14F-11) is amended to
6 read as follows:

7 11. To be eligible for certification as a general or residential real
8 estate appraiser, an applicant shall fulfill the following
9 requirements:

10 a. Be at least 18 years of age;

11 b. Be of good moral character;

12 c. Have a high school diploma or its equivalent;

13 d. Have real estate appraisal experience **[which experience**
14 **shall meet]** that meets the standards for experience prescribed by
15 the Appraisal Qualifications Board of the Appraisal Foundation for
16 the type of certificate sought;

17 e. Have successfully completed a course of study in real estate
18 appraising prescribed by the board and conducted by an approved
19 education provider, which course of study shall meet the standards
20 for the course of study issued by the Appraisal Qualifications Board
21 of the Appraisal Foundation for the type of certificate sought; and

22 f. Successfully complete a real estate appraiser certification
23 examination administered by the board.¹

24 (cf: P.L.1991, c.408, s.6)

25

26 ¹29. Section 15 of P.L.1991, c.68 (C.45:14F-15) is amended to
27 read as follows:

28 15. Upon payment to the board of the prescribed fee and the
29 submission of a written application on forms prescribed by it, the
30 board may issue a license or certificate to any person who holds a
31 valid license or certificate as a real estate appraiser issued by
32 another state which **[has educational, experience and examination**
33 **requirements substantially similar to]** meets or exceeds the
34 minimum qualification criteria established by the Appraisal
35 Qualifications Board of the Appraisal Foundation and the standards
36 for licensure and certification established by this State.¹

37 (cf: P.L.1991, c.68, s.15)

38

39 ¹30. Section 18 of P.L.1991, c.68 (C.45:14F-18) is amended to
40 read as follows:

41 18. a. No license shall be renewed unless the renewal applicant
42 submits satisfactory evidence to the board that the renewal
43 applicant has successfully completed the continuing education
44 requirements prescribed pursuant to **[this act]** P.L.1991, c.68
45 (C.45:14F-1 et seq.). The board shall not require less than the
46 number of hours acceptable to the Appraisal Subcommittee of the

1 Appraisal Foundation for the continuing education of licensed real
2 estate appraisers.

3 b. No certificate shall be renewed unless the renewal applicant
4 submits satisfactory evidence to the board that the renewal
5 applicant has successfully completed the continuing education
6 requirements prescribed pursuant to **【this act】** P.L.1991, c.68
7 (C.45:14F-1 et seq.) for the type of certificate for which renewal is
8 sought. The board shall not require less than the number of hours
9 of continuing education prescribed by the Appraisal Qualifications
10 Board of the Appraisal Foundation as a national standard for the
11 continuing education of certified real estate appraisers.

12 c. Continuing education may include classroom instruction in
13 courses, seminars or other activities as approved by the board.¹
14 (cf: P.L.1991, c.408, s.8)
15

16 ¹31. Section 25 of P.L.1991, c.68 (C.45:14F-25) is amended to
17 read as follows:

18 25. In the event that the government of the United States enacts
19 legislation or rules requiring states to collect fees from appraisers or
20 appraisal management companies licensed **【or】**, certified or
21 registered by those states and to remit the monies to a federal
22 agency, the board is authorized to impose and collect these fees and
23 may adopt rules requiring the payment of the fees by all appraisers
24 licensed or certified pursuant to the provisions of **【this act】**
25 P.L.1991, c.68 (C.45:14F-1 et seq.) or appraisal management
26 companies registered pursuant to the provisions of P.L. _____,
27 c. (C. _____) (pending before the Legislature as this bill).¹
28 (cf: P.L.1991, c.68, s.25)
29

30 ¹**【25.】** 32.¹ (New section) The State Real Estate Appraiser
31 Board shall adopt rules and regulations pursuant to the
32 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
33 seq.), necessary to effectuate the provisions of this act within 120
34 days of the effective date of this act.
35

36 ¹33. The following sections are repealed:
37 Section 12 of P.L.1991, c.68 (C.45:14F-12); and
38 Section 13 of P.L.1991, c.68 (C.45:14F-13).¹
39

40 ¹**【26.】** 34.¹ This act shall take effect immediately, except that
41 the provisions of section 6 of this act shall not take effect until 60
42 days after the adoption by the State Real Estate Appraiser Board of
43 regulations to effectuate the purposes of this act.