

EHB 1797 - S COMM AMD

By Committee on Business, Financial Services, Gaming & Trade

ADOPTED 04/05/2023

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 18.140
4 RCW to read as follows:

5 (1) A state-licensed appraiser or state-certified appraiser may
6 perform evaluations for financial institutions. An appraiser
7 performing evaluations is not engaged in real estate appraisal
8 activity, requiring compliance with the uniform standards of
9 professional appraisal practice, when the appraiser includes a
10 disclaimer as described in subsection (3) of this section.

11 (2) A state-licensed appraiser or state-certified appraiser
12 engaged to perform an evaluation is still engaged in real estate
13 appraisal activity and remains under the regulatory authority of the
14 state of Washington.

15 (3) When completing an evaluation, the appraiser must include a
16 disclaimer that: (a) Is located immediately above the appraiser's
17 signature; and (b) includes the following language in at least 10-
18 point boldface type: "I am a state-licensed appraiser or a state-
19 certified appraiser. This evaluation was not prepared in my capacity
20 as a real estate appraiser and might not comply with the uniform
21 standards of professional appraisal practice."

22 (4) As used in this section, "evaluation" means an estimate of
23 the market value of real property or real estate provided to a
24 financial institution in conformance with the interagency appraisal
25 and evaluation guidelines adopted jointly by the federal financial
26 institution's regulatory agencies for use in real estate-related
27 financial transactions that do not require an appraisal. Nothing in
28 this subsection may be construed to excuse a financial institution or
29 affiliate from complying with the provisions of Title XI of the
30 federal financial institutions reform, recovery, and enforcement act
31 of 1989 (12 U.S.C. Sec. 3310 et seq.).

1 **Sec. 2.** RCW 18.140.030 and 2005 c 339 s 4 are each amended to
2 read as follows:

3 The director shall have the following powers and duties:

4 (1) To adopt rules in accordance with chapter 34.05 RCW necessary
5 to implement this chapter and chapter 18.235 RCW, with the advice and
6 approval of the commission;

7 (2) To receive and approve or deny applications for certification
8 or licensure as a state-certified or state-licensed real estate
9 appraiser and for registration as a state-registered appraiser
10 trainee under this chapter; to establish appropriate administrative
11 procedures for the processing of such applications; to issue
12 certificates, licenses, or registrations to qualified applicants
13 pursuant to the provisions of this chapter; and to maintain a roster
14 of the names and addresses of individuals who are currently
15 certified, licensed, or registered under this chapter;

16 (3) To provide administrative assistance to the members of and to
17 keep records for the real estate appraiser commission;

18 (4) To solicit bids and enter into contracts with educational
19 testing services or organizations for the preparation of questions
20 and answers for certification or licensure examinations;

21 (5) To administer or contract for administration of certification
22 or licensure examinations at locations and times as may be required
23 to carry out the responsibilities under this chapter;

24 (6) To enter into contracts for professional services determined
25 to be necessary for adequate enforcement of this chapter;

26 (7) To consider recommendations by the real estate appraiser
27 commission relating to the experience, education, and examination
28 requirements for each classification of state-certified appraiser and
29 for licensure;

30 (8) To consider recommendations by the real estate appraiser
31 commission relating to the educational requirements for the state-
32 registered appraiser trainee classification;

33 (9) To consider recommendations by the real estate appraiser
34 commission relating to the maximum number of state-registered
35 appraiser trainees that each supervisory appraiser will be permitted
36 to supervise;

37 (10) To consider recommendations by the real estate appraiser
38 commission relating to continuing education requirements as a
39 prerequisite to renewal of certification or licensure;

1 (11) To consider recommendations by the real estate appraiser
2 commission relating to standards of professional appraisal conduct or
3 practice in the enforcement of this chapter;

4 (12) To employ such professional, clerical, and technical
5 assistance as may be necessary to properly administer the work of the
6 director;

7 (13) To establish forms necessary to administer this chapter;

8 (14) To establish an expert review appraiser roster comprised of
9 state-certified or licensed real estate appraisers whose purpose is
10 to assist the director by applying their individual expertise by
11 reviewing real estate appraisals for compliance with this chapter.
12 Qualifications to act as an expert review appraiser shall be
13 established by the director with the advice of the commission. An
14 application to serve as an expert review appraiser shall be submitted
15 to the real estate appraiser program, and the roster of accepted
16 expert review appraisers shall be maintained by the department. An
17 expert review appraiser may be added to or deleted from that roster
18 by the director. The expert review appraiser shall be reimbursed for
19 expenses in the same manner as the department reimburses the
20 commission; and

21 (15) To do all other things necessary to carry out the provisions
22 of this chapter and minimally meet the requirements of federal
23 guidelines regarding state certification or licensure of appraisers
24 and registration of state-registered appraiser trainees that the
25 director determines are appropriate for state-certified and state-
26 licensed appraisers and state-registered appraiser trainees in this
27 state, except as provided for in section 1 of this act.

28 NEW SECTION. **Sec. 3.** A new section is added to chapter 18.140
29 RCW to read as follows:

30 The department shall adopt administrative rule amendments to
31 chapter 308-125 WAC that require:

32 (1) Appraisers and appraiser trainees to adhere to the
33 nondiscrimination and fair housing provisions as provided in the
34 ethics rule in accordance with the appraisal standards board and the
35 uniform standards of professional appraisal practice;

36 (2) Appraiser and appraiser trainees to adhere to all education
37 criteria in accordance with the appraiser qualifications board as
38 provided in the real property appraiser qualifications criteria.

1 NEW SECTION. **Sec. 4.** (1) This act takes effect upon the
2 adoption of the administrative rules required in section 3 of this
3 act.

4 (2) The department must provide notice of the effective date of
5 this section to affected parties, the chief clerk of the house of
6 representatives, the secretary of the senate, the office of the code
7 reviser, and others as deemed appropriate by the department."

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8 On page 1, line 1 of the title, after "to" strike the remainder
9 of the title and insert "real estate appraisers; amending RCW
10 18.140.030; adding new sections to chapter 18.140 RCW; and providing
11 a contingent effective date."

EFFECT: Changes the title of the bill.

Provides the Department of Licensing regulatory authority over evaluations conducted by state-licensed appraisers or state-certified appraisers.

Changes the definition of "evaluation" to mean an estimate of the market value of real property or real estate.

Clarifies that a financial institution choosing to do an evaluation does not excuse that institution from complying with the federal Financial Institutions Reform, Recovery, and Enforcement Act.

Replaces the education requirements from the underlying bill with language that requires appraisers and appraiser trainees to adhere to nondiscrimination and fair housing provisions as provided in the ethics rule in accordance with the Appraisal Standards Board and the Uniform Standards of Professional Appraisal Practice.

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