

Chapter 308-409 WAC

APPRAISAL MANAGEMENT COMPANIES

WAC

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WAC 308-409-020 Application process to license as an appraisal management company. (1) An entity applying for licensure as an appraisal management company shall present to the department:

(a) A completed licensure application form that complies with RCW 18.310.060;

(b) Completed registration forms for the owner(s) of ten percent or more of the company and controlling persons, including a designated controlling person;

(c) Fingerprint background checks that are identified to the appraisal management company program, for owner(s) of ten percent or more of the company and controlling person(s);

(i) An application submitted without the required fingerprint background check is considered incomplete.

(ii) If a fingerprint submission is rejected, the owner or controlling person must follow the department's authorized vendor's procedures for resubmitting fingerprints within twenty-one calendar days of the date the department notifies the applicant.

(iii) Failure to follow the vendor's fingerprint procedures within twenty-one days may result in a suspension of the appraisal management company license until the vendor's fingerprint procedures are followed. The applicant will be responsible for any fingerprinting fees due to the department's authorized vendor.

(iv) If the fingerprint submission is rejected, the applicant must pay a new fee for fingerprinting and background processing. After three failed submissions, the program may use other sources/methods to satisfy the background check requirement.

(d) Proof of surety bond; and

(e) Appropriate fees.

(2) A change in ownership or controlling person(s) of the appraisal management company will require the new owner(s) or controlling person(s) to submit owner or controlling person registration form(s) to the department together with fingerprint background check(s), that are identified to the appraisal management company program within fourteen business days of change.

[Statutory Authority: RCW 18.310.020 (1) and (11), 12 U.S.C. § 3353(d), and 12 C.F.R. § 226.42. WSR 16-21-061, § 308-409-020, filed 10/14/16, effective 11/14/16. Statutory Authority: RCW 18.310.020(1). WSR 11-24-067, § 308-409-020, filed 12/6/11, effective 1/6/12.]

WAC 308-409-030 Licensure and renewal. (1) Appraisal management companies must be licensed by January 1, 2012.

(2) Each original and renewal license issued under chapter 18-310 RCW shall expire two years from date of issue.

(3) To be renewed as an appraisal management company, the holder of a valid license shall submit an application and pay the prescribed fee to the director no earlier than one hundred twenty days prior to the expiration date.

(4) If a company fails to renew a license prior to its expiration and no more than one year has passed since the company last held a valid license, the company may obtain a renewed license by paying the renewal fee and late renewal penalty fee.

(5) The director shall cancel the license of any company whose renewal fee is not received within one year from the date of expiration. A company may obtain a new license by applying for original licensure as an appraisal management company.

[Statutory Authority: RCW 18.310.020 (1) and (11), 12 U.S.C. § 3353(d), and 12 C.F.R. § 226.42. WSR 16-21-061, § 308-409-030, filed 10/14/16, effective 11/14/16. Statutory Authority: RCW 18.310.020(1). WSR 11-24-067, § 308-409-030, filed 12/6/11, effective 1/6/12.]

WAC 308-409-035 Surety bond requirements. (1) All appraisal management companies must maintain surety bonds that conform to RCW 18.310.040 in an active status at all times during the period of licensure.

(2) The bond must provide that the surety will give the department of licensing and the licensee thirty days advance notice of cancellation or termination of the bond with the reason for the cancellation or termination; provided, that no such notice shall be required when the termination of the bond is due to the expiration or revocation of the subject license.

[Statutory Authority: RCW 18.310.020(1). WSR 11-24-067, § 308-409-035, filed 12/6/11, effective 1/6/12.]

WAC 308-409-040 Business location and/or physical address and mailing address. It is the responsibility of each licensed appraisal management company to notify the department of a change of business location and/or physical address and mailing address for receiving certified mail and service of documents. Change of address notification shall be made within fourteen business days of the change of address.

[Statutory Authority: RCW 18.310.020(1). WSR 11-24-067, § 308-409-040, filed 12/6/11, effective 1/6/12.]

WAC 308-409-050 Fees and charges. The following fees shall be paid under the provisions of chapter 18.310 RCW:

Title of Fee	Fee
Original licensure	\$2,400.00
Renewal	1,200.00
Late renewal penalty	38.00
Duplicate license	30.00
Fingerprint processing	per vendor schedule*

*Fees for the category marked with an asterisk are determined by contract with an outside vendor.

[Statutory Authority: RCW 18.310.020 (1) and (11), 12 U.S.C. § 3353(d), and 12 C.F.R. § 226.42. WSR 16-21-061, § 308-409-050, filed 10/14/16, effective 11/14/16. Statutory Authority: RCW 18.310.020(1). WSR 11-24-067, § 308-409-050, filed 12/6/11, effective 1/6/12.]

WAC 308-409-055 Required records—Accessibility of records to the department of licensing. Appraisal management companies must retain records in accordance with RCW 18.310.130. Such records will be subject to random audit by the department without notice and must be readily available for inspection by a representative of the department.

[Statutory Authority: RCW 18.310.020(1). WSR 11-24-067, § 308-409-055, filed 12/6/11, effective 1/6/12.]

WAC 308-409-060 Additional required records. (1) An appraisal management company having been issued a license shall comply with the following:

(a) Shall maintain with the department the name and address of the designated controlling person for service of process and shall furnish in writing to the department any changes to the information on file within fourteen business days.

(b) An appraisal management company shall maintain a complete record of all requests for appraisal services referred to state licensed and certified appraisers as well as payments and dates of payments made to the appraisers and shall make such information available to the department upon written request. An appraisal management company's statement of recordkeeping certification upon registration with the division and biennially thereafter shall be signed by its designated controlling person and shall describe its system for maintaining a record of:

(i) The name of the appraiser who accepts each assignment and signs the corresponding appraisal report; or

(ii) If an assignment is accepted by an appraisal company, the name of the appraisal company that accepts the assignment.

(2) The appraisal management company shall make available to the department any and all records that are required to be maintained under RCW 18.310.130 and this section or records relevant to compliance with this chapter and other relevant statutes.

(3) At any time a document filed with the department becomes inaccurate, the appraisal management company shall promptly file with the department an amendment correcting that information within twenty-one business days.

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(4) An appraisal management company shall, at all times, maintain a current list of its appraisal panel and shall provide a copy of that list to the department upon written request.

[Statutory Authority: RCW 18.310.020(1). WSR 11-24-067, § 308-409-060, filed 12/6/11, effective 1/6/12.]

WAC 308-409-070 Required disclosure to appraisers. When engaging the appraiser, the appraisal management company shall disclose to an appraiser, within their engagement documents, the state license number of the appraisal management company.

[Statutory Authority: RCW 18.310.020(1). WSR 11-24-067, § 308-409-070, filed 12/6/11, effective 1/6/12.]

WAC 308-409-080 Prohibitions. (1) In addition to the unprofessional conduct described in RCW 18.235.130, the director may take disciplinary action for the following conduct, actions or conditions:

(a) Prohibiting or refusing to allow, or attempting to prohibit or refuse to allow the professional appraisal assistance of registered real estate appraiser trainees in appraisal services unless such action is required by the appraisal management company's client;

(b) The appraisal management company shall not permit any employee, agent, third party, or controlling principal to engage in any of the following activities:

(i) Require the appraiser to collect the appraisal fee from a borrower, homeowner, or third party or to accept a credit card payment;

(ii) Require the appraiser to provide the appraisal management company with the appraiser's digital signature or seal; or

(iii) Compensate an unlicensed appraisal management company for referrals of appraisal services.

(2) This section does not prohibit an appraisal management company or an individual with an interest in a real estate transaction from requesting an appraiser to:

(a) Consider additional appropriate property information including relevant sales comparables not considered in the initial appraisal report;

(b) Provide further detail, substantiation or explanation of the appraiser's value conclusion; or

(c) Correct errors in the appraisal report.

[Statutory Authority: RCW 18.310.020(1). WSR 11-24-067, § 308-409-080, filed 12/6/11, effective 1/6/12.]

WAC 308-409-090 Valuation independence standards. (1) Appraisal management companies shall select an appraiser who is independent of the transaction and who has the requisite education, expertise, and experience necessary to competently complete the appraisal assignment for the particular market and property type; and

(2) Appraisal management companies shall conduct appraisal management services in accordance with the requirements of the Truth in Lending Act, 15 U.S.C. Secs. 1601-1667.

[Statutory Authority: RCW 18.310.020 (1) and (11), 12 U.S.C. § 3353(d), and 12 C.F.R. § 226.42. WSR 16-21-061, § 308-409-090, filed 10/14/16, effective 11/14/16.]

(10/14/16)

WAC 308-409-100 Appraisal reports—Alterations—

Use. The licensed appraisal management company shall not, under any circumstances remove data or portions thereof from the completed appraisal report for use in any form or for any reason.

[Statutory Authority: RCW 18.310.020(1). WSR 11-24-067, § 308-409-100, filed 12/6/11, effective 1/6/12.]