

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 829

Short Title: Customary and Reasonable Fees for Appraisers. (Public)

Sponsors: Representatives Saine, Lewis, and Hardister (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Commerce and Job Development

April 13, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE DEFINITION OF REASONABLE AND CUSTOMARY
3 COMPENSATION FOR REAL ESTATE APPRAISERS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 93E-2-4 reads as rewritten:

6 "§ 93E-2-4. **Qualifications for registration; duties of registrants.**

7 ...

8 (i) For appraisal assignments of ~~property secured by one- to four-family residential~~
9 ~~properties, the principal dwelling of the consumer,~~ an appraisal management company shall
10 provide customary and reasonable compensation and offers of compensation to
11 appraisers. compensate appraisers in compliance with section 129E(i) of the federal Truth in
12 Lending Act (15 U.S.C. § 1601 et seq.) and regulations promulgated thereunder. Compensation
13 and offers of compensation provided to an appraiser shall be presumed reasonable if the
14 compensation or offer of compensation is in an amount that is reasonably related to recent rates
15 paid by the consumer for comparable appraisal services performed in the geographic market of
16 the property being appraised. The Board shall adopt rules necessary to enforce this subsection.
17 Rules establishing customary Recent rates paid shall not include those amounts paid by
18 appraisal management companies. Customary and reasonable rates shall be based on objective
19 third-party information, such as academic studies—studies, government fee surveys, and
20 independent private sector surveys. The Board shall adopt rules necessary to enforce this
21 subsection."

22 SECTION 2. G.S. 93E-2-2 reads as rewritten:

23 "§ 93E-2-2. **Definitions.**

24 (a) The following definitions apply in this Article:

25 ...

26 (5) Board. – The North Carolina Appraisal Board under Article 1 of this
27 Chapter.

28 (5a) Consumer. – The borrower or owner of the property interest for which an
29 appraiser's services are utilized.

30 (6) Employee. – An individual who has an employment relationship
31 acknowledged by both the individual and the company and is treated as an
32 employee for purposes of compliance with federal income tax laws.

33 ...

34 (b) The definitions contained in G.S. 93E-1-4 also apply in this Article."



1 **SECTION 3.** This act is effective when it becomes law. The North Carolina
2 Appraisal Board shall adopt rules in accordance with this act within 180 days of the effective
3 date.