

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB17

Chairperson: Senator Brett Lindstrom

Committee: Banking, Commerce and Insurance

Date of Hearing: January 24, 2017

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The purpose of LB17 is to update the Nebraska Appraisal Management Company Registration Act (“AMC Act”) for compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (“Title XI”); the AMC Final Rule adopted by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the National Credit Union Administration, the Consumer Financial Protection Bureau, and the Federal Housing Finance Agency; and the requirements of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (“ASC”). The Final Rule was adopted on June 9, 2015, with an effective date of August 10, 2015, to implement the minimum requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act, which added a new Section 1124 to Title XI, to be applied by participating States in the registration and supervision of appraisal management companies (“AMC”). The Final Rule also implements the minimum requirements in the Dodd-Frank Act for AMCs that are subsidiaries owned and controlled by an insured depository institution and regulated by a Federal financial institutions regulatory agency, and implements the requirement for States to report to the ASC the information required by the ASC to administer the new national registry of AMCs. This bill also includes minor changes to address administration of the AMC Act, and to harmonize the AMC Act with the Nebraska Real Property Appraiser Act.

In addition, LB17 includes a change to the Real Property Appraiser Act to maintain compliance with Title XI, and the Real Property Appraiser Qualifications Criteria as promulgated by Appraiser Qualifications Board (“AQB”) of the The Appraisal Foundation; the source of appraisal standards and qualifications as authorized by the U.S. Congress. Effective on July 1, 2016, the AQB adopted changes to the three-year supervisory appraiser jurisdictional requirement found in the Real Property Appraiser Qualifications Criteria. While Supervisory Appraisers must still be certified appraisers in good standing for a minimum of three years prior to supervising, they no longer need to be certified and in good standing in the jurisdiction in which the trainee real property appraiser practices for a minimum period of time.

If the State of Nebraska is found to not be compliance with Title XI by the Appraisal Subcommittee, the Appraisal Subcommittee may remove all Nebraska credentialed appraisers from the Federal Registry, resulting in no appraisers qualified to appraise real property in connection with federally related transactions, which is approximately 80% of all mortgage loan activity, or remove all Nebraska registered AMCs from the Federal Registry, which would halt all mortgage loan activity within the state in which AMCs are utilized. Nebraska currently has 695 certified or licensed real property appraisers, and 101 AMCs conducting business in the State.

Principal Introducer: _____

Senator Joni Craighead