



HOUSE BILL 829: Customary and Reasonable Fees for Appraisers.

2017-2018 General Assembly

Committee:	House Finance	Date:	April 25, 2017
Introduced by:	Reps. Saine, Lewis, Hardister	Prepared by:	Nicholas Giddings Committee Counsel
Analysis of:	First Edition		

OVERVIEW: *House Bill 829 would require appraisal management companies to provide customary and reasonable compensation and offers of compensation to appraisers for appraisals of one- to four-family residential properties.*

[As introduced, this bill was identical to S571, as introduced by Sens. Rabin, Woodard, which is currently in Senate Rules and Operations of the Senate.]

CURRENT LAW: G.S. 93E-2-4(i) requires appraisal management companies to compensate appraisers in compliance with section 129E(i) of the federal Truth in Lending Act for appraisals of property secured by the principal dwelling of the consumer.

BILL ANALYSIS: House Bill 829 would require appraisal management companies to provide customary and reasonable compensation and offers of compensation to appraisers for appraisals of one- to four-family residential properties. Compensation and offers of compensation would be presumed reasonable if the compensation or offer of compensation is an amount that is reasonably related to recent rates paid by the consumer for comparable appraisal services performed in the geographic market of the property being appraised. Recent rates paid would not include amounts paid by appraisal management companies. Customary and reasonable rates would be based on objective third-party information, such as academic studies, government fee surveys, and independent private sector surveys.

The North Carolina Appraisal Board would be required to adopt rules necessary to enforce the provisions of this act. The bill would also add a definition for consumer in Article 2 of Chapter 93E.

EFFECTIVE DATE: The act would be effective when law. The North Carolina Appraisal Board would be required to adopt rules in accordance with this act within 180 days of the effective date.

Karen Cochrane-Brown
Director



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Legislative Analysis
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