

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

H

D

HOUSE BILL 565  
PROPOSED COMMITTEE SUBSTITUTE H565-PCS70454-RFf-20

Short Title: Amend Real Estate Appraisers' Laws/Fees.

(Public)

Sponsors:

Referred to:

April 4, 2013

1 A BILL TO BE ENTITLED  
2 AN ACT TO AMEND THE LAWS REGULATING REAL ESTATE APPRAISERS.  
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 93E-1-3(a) reads as rewritten:

5 "(a) No trainee registration, license, or certificate shall be issued under the provisions of  
6 this Chapter to a partnership, association, corporation, firm, or group. However, nothing herein  
7 shall preclude a registered trainee or licensed or certified real estate appraiser from rendering  
8 appraisals for or on behalf of a partnership, association, corporation, firm, or group, provided  
9 the appraisal report is prepared by a licensed or certified real estate appraiser or by a registered  
10 trainee under the immediate personal direction ~~of, of~~ of the ~~licensed or certified~~ real estate  
11 appraiser and is reviewed and signed by that ~~licensed or certified~~ appraiser."

12 **SECTION 2.** G.S. 93E-1-6 reads as rewritten:

13 "**§ 93E-1-6. Qualifications for registration and certification; applications; application**  
14 **fees; examinations.**

15 (a) Any person desiring to be registered as a trainee or to obtain ~~licensure as a licensed~~  
16 ~~real estate appraiser or~~ certification as a certified real estate appraiser shall make written  
17 application to the Board on the forms as are prescribed by the Board setting forth the applicant's  
18 qualifications for ~~registration, licensure, registration~~ or certification. Each applicant shall satisfy  
19 the following qualification requirements:

20 (1) Each applicant for registration as a trainee shall:

- 21 a. Have obtained a high school diploma or its equivalent; and  
22 b. Demonstrate to the Board that the applicant possesses the knowledge  
23 and competence necessary to perform appraisals of real property, by:  
24 (i) having satisfactorily completed within the five-year period  
25 immediately preceding the date application is made, a course of  
26 instruction, approved by the Board, in real estate appraisal principles  
27 and practices consisting of at least 90 hours of classroom instruction  
28 in subjects determined by the Board; and (ii) satisfying any  
29 additional qualification the Board imposes by rule, not inconsistent  
30 with any requirements imposed by the Appraisal Foundation.

31 (2) Each applicant for certification as a certified residential real estate appraiser  
32 shall:

- 33 a. Hold ~~an associate's degree or higher~~ a bachelor's degree from an  
34 accredited college, ~~junior college, community college,~~ or university;  
35 ~~or have a high school diploma or its equivalent and have successfully~~  
36 ~~completed at least 21 semester credit hours of college courses from~~



\* H 5 6 5 - P C S 7 0 4 5 4 - R F F - 2 0 \*

- 1 an accredited college, junior college, community college, or  
2 university in English composition, principles of economics, finance,  
3 higher mathematics, such as geometry or algebra, statistics,  
4 introduction to computers, and business or real estate law;
- 5 b. Demonstrate that the applicant possesses the knowledge and  
6 competence necessary to perform appraisals of real property as the  
7 Board may prescribe by having satisfactorily ~~completed, within the~~  
8 ~~five-year period immediately preceding the date the application is~~  
9 ~~made,~~completed a course of instruction, approved by the Board, in  
10 real estate appraisal principles and practices consisting of at least 200  
11 ~~hours;~~hours. All instructional courses shall have been completed on  
12 or after January 1, 2008;
- 13 c. Present evidence satisfactory to the Board of at least 2,500 hours or  
14 the minimum requirement as imposed by the Appraisal Foundation,  
15 whichever is greater, of experience in real estate appraising within  
16 the ~~five-year~~eight-year period immediately preceding the date  
17 application is made, and over a period of at least two calendar years;  
18 and
- 19 d. Satisfy the additional qualifications criteria as may be imposed by the  
20 Board by rule, not inconsistent with any requirements imposed by the  
21 Appraisal Foundation; or
- 22 e. Possess education and experience which is found by the Board in its  
23 discretion to be equivalent to the above requirements.
- 24 (3) Each applicant for certification as a certified general real estate appraiser  
25 shall:
- 26 a. Hold a bachelor's degree or higher from an accredited college or  
27 university; ~~or have a high school diploma or its equivalent and have~~  
28 ~~successfully completed at least 30 semester credit hours of college~~  
29 ~~courses from an accredited college or university in English~~  
30 ~~composition, macroeconomics and microeconomics, finance, higher~~  
31 ~~mathematics, such as geometry or algebra, statistics, introduction to~~  
32 ~~computers, and business or real estate law and two elective courses in~~  
33 ~~accounting, geography, business management, or real estate;~~
- 34 b. Demonstrate that the applicant possesses the knowledge and  
35 competence necessary to perform appraisals of all types of real  
36 property by having satisfactorily ~~completed, within the five-year~~  
37 ~~period immediately preceding the date application is made,~~completed  
38 a course of instruction, approved by the Board, in general real estate  
39 appraisal practices consisting of at least 300 ~~hours;~~hours. All  
40 instructional courses shall have been completed on or after January 1,  
41 2008;
- 42 c. Present evidence satisfactory to the Board of at least 3,000 hours or  
43 the minimum requirement as imposed by the Appraisal Foundation,  
44 whichever is greater, of experience in real estate appraising within  
45 the ~~five-year~~eight-year period immediately preceding the date  
46 application is made, and over a period of at least two and one-half  
47 calendar years, fifty percent (50%) of which must be in appraising  
48 nonresidential real estate; and
- 49 d. Satisfy the additional qualifications criteria as may be imposed by the  
50 Board by rule, not inconsistent with any requirements imposed by the  
51 Appraisal Foundation; or

1 e. Possess education or experience which is found by the Board in its  
2 discretion to be equivalent to the above requirements.

3 (4) Repealed by Session Laws 2001-399, s. 1.

4 (b) Each application for registration as a trainee or for certification as a real estate  
5 appraiser shall be accompanied by a fee of two hundred dollars (\$200.00), plus any additional  
6 fee as may be necessary to defray the cost of any competency examination administered by a  
7 private testing service.

8 (c) Any person who files with the Board an application for ~~registration or certification~~ as  
9 a real estate appraiser shall be required to pass an examination to demonstrate the person's  
10 competence.

11 (c1) The Board shall also make an investigation as it deems necessary into the  
12 background of the applicant to determine the applicant's qualifications with due regard to the  
13 paramount interest of the public as to the applicant's competency, honesty, truthfulness, and  
14 integrity. ~~All applicants shall obtain criminal record reports from one or more reporting~~  
15 ~~services designated by the Board to provide criminal record reports. Applicants are required to~~  
16 ~~pay the designated reporting service for the cost of the reports. All applicants shall consent to a~~  
17 ~~criminal history record check. Refusal to consent to a criminal history record check may~~  
18 ~~constitute grounds for the Board to deny an application. The Board shall ensure that the State~~  
19 ~~and national criminal history of an applicant is checked. The Board shall be responsible for~~  
20 ~~providing to the North Carolina Department of Justice the fingerprints of the applicant to be~~  
21 ~~checked, a form signed by the applicant consenting to the criminal history record check, and~~  
22 ~~the use of fingerprints and other identifying information required by the State or National~~  
23 ~~Repositories of Criminal Histories and any additional information required by the Department~~  
24 ~~of Justice in accordance with G.S. 114-19.30. The Board shall keep all information obtained~~  
25 ~~pursuant to this section confidential. The Board shall collect any fees required by the~~  
26 ~~Department of Justice and shall remit the fees to the Department of Justice for expenses~~  
27 ~~associated with conducting the criminal history record check.~~

28 (c2) In addition, the Board may investigate and consider whether the applicant has had  
29 any disciplinary action taken against any other professional license in North Carolina or any  
30 other state, or if the applicant has committed or done any act which, if committed or done by  
31 any real estate trainee or appraiser, would be grounds under the provisions hereinafter set forth  
32 for disciplinary action including the suspension or revocation of registration, licensure, or  
33 certification, or whether the applicant has been convicted of or pleaded guilty to any criminal  
34 act. If the results of the investigation shall be satisfactory to the Board, and the applicant is  
35 otherwise qualified, then the Board shall issue to the applicant a trainee registration or  
36 certificate authorizing the applicant to act as a registered trainee real estate appraiser or  
37 certified real estate appraiser in this State.

38 (d) If the applicant has not affirmatively demonstrated that the applicant meets the  
39 requirements for registration or certification, action on the application will be deferred pending  
40 a hearing before the Board."

41 **SECTION 3.** G.S. 93E-1-6.1 reads as rewritten:

42 "**§ 93E-1-6.1. Trainee supervision.**

43 All trainees shall perform all real estate appraisal-related activities under the immediate,  
44 active, and personal supervision of a ~~licensed or~~ certified real estate appraiser. All appraisal  
45 reports must be signed by the appraiser who supervised the trainee. By signing the appraisal  
46 report, the appraiser accepts shared responsibility, with the trainee, for the content of and  
47 conclusions in the report. All trainees and any appraisers desiring to supervise a trainee shall  
48 complete a course in trainee supervision as required in rules adopted by the Board."

49 **SECTION 4.** G.S. 93E-1-8 reads as rewritten:

50 "**§ 93E-1-8. Education program approval and fees.**

1 (a) The Board may by rule prescribe minimum standards for the approval and renewal  
2 of approval of schools and other course sponsors and their instructors to conduct appraiser  
3 ~~prelicensing and precertification~~qualifying courses required by G.S. 93E-1-6(a). Such standards  
4 may address subject matter, program structuring, instructional materials, requirements for  
5 satisfactory course completion, instructors' qualifications, and other related matters relevant to  
6 the provision of such courses in a manner that best serves the public interest. The standards  
7 may require that schools and course sponsors obtain approval for the content of ~~prelicensing~~  
8 ~~and precertification~~qualifying courses from the Appraiser Qualifications Board of the Appraisal  
9 Foundation as part of the application process with the Appraisal Board and pay any fees  
10 directly to the Appraiser Qualifications Board as required by the Appraiser Qualifications  
11 Board for the approval.

12 (b) The Board may by rule set nonrefundable fees chargeable to private real estate  
13 appraisal schools or course sponsors, including appraisal trade organizations, for the approval  
14 and annual renewal of approval of their ~~prelicensing and precertification~~qualifying courses  
15 required by G.S. 93E-1-6(a), or equivalent courses. The fees shall be one hundred dollars  
16 (\$100.00) per course for approval and fifty dollars (\$50.00) per course for renewal of approval.  
17 No fees shall be charged for the approval or renewal of approval to conduct appraiser  
18 ~~prelicensing or precertification~~qualifying courses where such courses are offered by a North  
19 Carolina college, university, junior college, or community or technical college accredited by  
20 the Southern Association of Colleges and Schools, or an agency of the federal, State, or local  
21 government.

22 (c) The Board may by rule prescribe minimum standards for the approval and annual  
23 renewal of approval of schools and other course sponsors and their instructors to conduct  
24 appraiser continuing education courses. Such standards may address subject matter,  
25 instructional materials, requirements for satisfactory course completion, minimum course  
26 length, instructors' qualifications, and other related matters relevant to the provision of such  
27 courses in a manner that best serves the public interest.

28 (d) Nonrefundable fees of one hundred dollars (\$100.00) per course may be charged to  
29 schools and course sponsors for the approval to conduct appraiser continuing education courses  
30 and fifty dollars (\$50.00) per course for renewal of approval. However, no fees shall be charged  
31 for the approval or renewal of approval to conduct appraiser continuing education courses  
32 where such courses are offered by a North Carolina college, university, junior college, or  
33 community or technical college accredited by the Southern Association of Colleges and  
34 Schools, or by an agency of the federal, State, or local government. A nonrefundable fee of  
35 fifty dollars (\$50.00) per course may be charged to current or former licensees or certificate  
36 holders requesting approval by the Board of a course for continuing education credit when  
37 approval of such course has not been previously obtained by the offering school or course  
38 sponsor."

39 **SECTION 5.** G.S. 93E-1-9 reads as rewritten:

40 "**§ 93E-1-9. Nonresident ~~registration, licensure,~~registration and certification.**

41 (a) An applicant from another state which offers real estate trainee registration or the  
42 equivalent, ~~or appraiser-licensing or certification~~ privileges to residents of North Carolina may  
43 become ~~registered, licensed, registered~~ or certified in North Carolina by conforming to all of the  
44 provisions of this Chapter and, in the discretion of the Board, such other terms and conditions  
45 as are required of North Carolina residents applying for trainee ~~registration,~~  
46 ~~licensure,~~registration and certification in such other state.

47 (b) The Board, in its discretion, may undertake to ~~register, license, register~~ or certify on  
48 a reciprocal basis, persons ~~registered, licensed, registered~~ or certified in other states who are  
49 deemed by the Board to possess qualifications equivalent to resident North Carolina trainees ~~or~~  
50 ~~State-licensed or State-certified~~ real estate appraisers.

1 (c) The Board may by rule establish a procedure for granting temporary trainee  
2 registration, appraiser licensure or certification and may charge an application fee of one  
3 hundred fifty dollars (\$150.00) for temporary trainee registration, appraiser licensure, or  
4 certification.

5 (d) Every applicant for trainee ~~registration, State licensure, registration~~ or certification  
6 under this Chapter who is not a resident of this State shall submit with his application an  
7 irrevocable consent that service of process in any action against the applicant arising out of the  
8 applicant's activities as a registered trainee ~~or State-licensed~~ or State-certified real estate  
9 appraiser may be made by delivery of the process on the Executive Director of the Board."

10 **SECTION 6.** G.S. 93E-1-11(a) reads as rewritten:

11 "(a) The Executive Director of the Board shall keep a register of all applicants for State  
12 trainee registration or for ~~State licensure or~~ certification as real estate appraisers, showing for  
13 each the date of application, name, business or residence address, and whether the ~~registration,~~  
14 ~~licenseregistration~~ or certificate was granted or refused. The register shall be prima facie  
15 evidence of all matters received therein."

16 **SECTION 7.** Article 1 of Chapter 93E of the General Statutes is amended by  
17 adding the following new section to read:

18 **"§ 93E-1-15. Payment of fees by electronic means.**

19 The Board may allow any of its fees to be paid through electronic means. The Board may  
20 charge a processing fee for electronic payments that does not exceed the actual cost to the  
21 Board for processing electronic payments."

22 **SECTION 8.** G.S. 93E-2-4 reads as rewritten:

23 **"§ 93E-2-4. Qualifications for registration; duties of registrants.**

24 (a) Any person or entity desiring to be registered as an appraisal management company  
25 in this State shall make written application to the Board on forms prescribed by the Board  
26 setting forth the applicant's qualifications for registration. The application shall be accompanied  
27 by the applicable fee under G.S. 93E-2-6 and any other information the Board deems necessary  
28 pursuant to rules adopted by the Board. Upon receipt of a properly completed application and  
29 fee and upon a determination by the Board that the applicant is of good moral character, the  
30 Board shall issue to the applicant a certificate of registration authorizing the applicant to act as  
31 a real estate appraisal management company in this State.

32 (b) The registration required by subsection (a) of this section shall include the following  
33 information:

- 34 (1) Legal name of the entity seeking registration.
- 35 (2) Business address of the entity seeking registration.
- 36 (3) Phone contact information of the entity seeking registration.
- 37 (4) If the entity is not a corporation that is domiciled in this State, the name and  
38 contact information for the company's agent for service of process in this  
39 State.
- 40 (5) The name, address, and contact information for any individual or any  
41 corporation, partnership, or other business entity that owns ten percent  
42 (10%) or more of the appraisal management company.
- 43 (6) The name, address, and contact information for the compliance manager.
- 44 (7) A certification that the entity has a system and process in place to verify that  
45 a person being added to the appraiser panel of the appraisal management  
46 company holds a license in good standing in this State pursuant to the North  
47 Carolina Appraisers Act if a license or certification is required to perform  
48 appraisals.
- 49 (8) A certification that the entity has a system in place to require that appraisers  
50 inform the appraisal management company of their areas of geographic

- 1 competency, the types of properties the appraiser is competent to appraise,  
2 and the methodologies the appraiser is competent to perform.
- 3 (9) A certification that the entity has a system in place to review the work of all  
4 independent appraisers that are performing real estate appraisal services for  
5 the appraisal management company on a periodic basis to validate that the  
6 real estate appraisal services are being conducted in accordance with the  
7 Uniform Standards of Professional Appraisal Practice.
- 8 (10) A certification that the entity maintains a detailed record of each service  
9 request that it receives and the independent appraiser that performs the  
10 residential real estate appraisal services for the appraisal management  
11 company.
- 12 (10a) A certification that the entity has obtained a surety bond as required by this  
13 Article.
- 14 (11) An irrevocable Uniform Consent to Service of Process.
- 15 (12) Any other information required by the Board pursuant to G.S. 93E-2-3.
- 16 (c) Any registrant having a good faith belief that a real estate appraiser licensed or  
17 certified in this State has violated applicable law or the Uniform Standards of Professional  
18 Appraisal Practice or engaged in unethical conduct shall promptly file a complaint with the  
19 Board.
- 20 (d) Registered appraisal management companies shall pay fees to an appraiser within  
21 30 days of the date the appraisal is transmitted by the real estate appraiser to the registrant,  
22 except in cases of noncompliance with the conditions of the engagement. In such cases, the  
23 registrant shall notify the real estate appraiser in writing that the fees will not be paid.
- 24 (e) To qualify to be registered as an appraisal management company, each individual  
25 who owns, directly or indirectly, more than ten percent (10%) of the appraisal management  
26 company shall be of good moral character, as determined by the Board, and shall submit all  
27 information the Board deems necessary pursuant to the rules adopted by the Board.  
28 Additionally, each owner shall certify that he or she has never had a license to act as an  
29 appraiser refused, denied, cancelled, or revoked by the State of North Carolina or any other  
30 state.
- 31 (f) A registered appraisal management company shall not enter into any contracts or  
32 agreements with an independent appraiser for the performance of residential real estate  
33 appraisal services for properties located in this State unless the independent appraiser is  
34 licensed or certified in good standing pursuant to the North Carolina Appraisers Act.
- 35 (g) Each applicant for registration or for a renewal of a registration shall post with the  
36 Board and maintain a surety bond in the amount of twenty-five thousand dollars (\$25,000).
- 37 (1) The bond shall be in a form satisfactory to the Board.
- 38 (2) The bond will accrue to the Board for the benefit of a claimant against the  
39 registrant to secure the faithful performance of the registrant's obligations  
40 under this Article and to a real estate appraiser who has performed an  
41 appraisal for the registrant for which the appraiser has not been paid.
- 42 (3) The aggregate liability of the surety shall not exceed the principal sum of the  
43 bond.
- 44 (4) A party having a claim against the registrant may bring suit directly on the  
45 surety bond, or the Board may bring suit on behalf of the party having a  
46 claim against the registrant, either in one action or in successive actions.
- 47 (5) A claim reducing the face amount of the bond shall be annually restored  
48 upon renewal of the registrant's registration.
- 49 (6) The bond shall remain in effect until cancellation, which may occur only  
50 after 90 days written notice to the Board. Cancellation shall not affect any  
51 liability incurred or accrued during that period.

1           (7)    The surety bond shall remain in place for no less than two years after the  
2                   registrant ceases operations in this State. However, notwithstanding this  
3                   provision, the Board may permit the surety bond to be reduced or eliminated  
4                   prior to that time to the extent that the amount of the registrant's outstanding  
5                   obligations to appraisers is reduced."

6           **SECTION 9.** G.S. 93E-2-6 reads as rewritten:

7    "**§ 93E-2-6. Fees and renewals.**

8           (a)    Each application for registration as an appraisal management company under this  
9    Article shall be accompanied by a registration fee in an amount set by the Board not to exceed  
10   three thousand five hundred dollars (\$3,500). Registration issued under this Article shall expire  
11   on June 30, 2012, and on June 30 of each year thereafter. The registration shall become invalid  
12   after that date unless renewed before the expiration date by filing an application with and  
13   paying to the Board a fee in an amount set by the Board not to exceed two thousand dollars  
14   (\$2,000).

15          (b)    All registrations reinstated after the expiration date are subject to a late filing fee of  
16   twenty dollars (\$20.00) for each month or part thereof that the registration is lapsed, not to  
17   exceed one hundred twenty dollars (\$120.00). The late filing fee shall be in addition to the  
18   required renewal fee. In the event a registrant fails to reinstate the registration within six  
19   months after the expiration date, the registration shall expire and the registrant shall be required  
20   to file a new application for registration. Reinstatement of a registration shall not be retroactive.

21          (c)    The Board may issue a replacement registration to the registrant upon payment of  
22   fifty dollars (\$50.00) to the Board. The Board may certify the registration history of an  
23   appraisal management company registered under this Article upon payment of a fee of one  
24   hundred dollars (\$100.00) to the Board.

25          (d)    Each applicant for registration, or for renewal of registration, as an appraisal  
26                   management company shall pay a fee of five hundred dollars (\$500.00) to be deposited in the  
27                   Appraisal Management Company Recovery Fund.

28          (e)    The Board may allow any of its fees to be paid through electronic means. The Board  
29                   may charge a processing fee for electronic payments that does not exceed the actual cost to the  
30                   Board for processing electronic payments."

31    **SECTION 10.** G.S. 93E-2-8(a) reads as rewritten:

32    "**§ 93E-2-8. Disciplinary authority.**

33          (a)    The Board may, by order, deny, suspend, revoke, or refuse to issue or renew a  
34   registration of an appraisal management company under this Article or may restrict or limit  
35   activities of a person who owns an interest in or participates in the business of an appraisal  
36   management company if the Board determines that an applicant, registrant, or any partner,  
37   member, manager, officer, director, compliance manager, or person occupying a similar status,  
38   performing similar functions, or directly or indirectly controlling the applicant or registrant has  
39   done any of the following:

- 40           (1)    Filed an application for registration that, as of its effective date or as of any  
41                   date after filing, contained any statement that, in light of the circumstances  
42                   under which it was made, is false or misleading with respect to any material  
43                   fact.
- 44           (2)    Violated or failed to comply with any provision of this Article or any rules  
45                   adopted by the Board.
- 46           (3)    Been convicted of any felony or, within the past 10 years, been convicted of  
47                   any misdemeanor involving mortgage lending or real estate appraisal or any  
48                   offense involving breach of trust, moral turpitude, or fraudulent or dishonest  
49                   dealing.

- 1 (4) Been permanently or temporarily enjoined by any court of competent  
2 jurisdiction from engaging in or continuing any conduct or practice  
3 involving any aspect of the real estate appraisal management business.  
4 (5) Been the subject of an order of the Board or any other state appraiser  
5 regulatory agency denying, suspending, or revoking the person's license as a  
6 real estate appraiser.  
7 (6) Acted as an appraisal management company while not properly licensed by  
8 the Board.  
9 (7) Failed to pay the proper filing or renewal fee under this Article.  
10 (8) Failed to maintain the bond required by G.S. 93E-2-4."

11 **SECTION 11.** G.S. 93E-2-8(g) reads as rewritten:

12 "(g) If the Board has reasonable grounds to believe that an appraisal management  
13 company has violated the provisions of this Article or that facts exist that would be the basis for  
14 an order against an appraisal management company, the Board may at any time, either  
15 personally or by a person duly designated by the Board, investigate or examine the books,  
16 accounts, records, and files of any registrant or other person relating to the complaint or matter  
17 under investigation.

18 (g1) The Board may require any registrant or other person to submit a criminal history  
19 record check and a set of that person's fingerprints in connection with any examination or  
20 investigation. Refusal to submit the requested criminal history record check or a set of  
21 fingerprints shall be grounds for disciplinary action. The reasonable cost of the investigation or  
22 examination shall be charged against the registrant."

23 **SECTION 12.** Article 2 of Chapter 93E of the General Statutes is amended by  
24 adding a new section to read:

25 "**§ 93E-2-12. Appraisal Management Company Recovery Fund.**

26 (a) The Appraisal Management Company Recovery Fund is established as a special  
27 account of the Board. The Fund shall consist of fees collected from appraisal management  
28 company applications for registration and renewals pursuant to G.S. 93E-2-6(d).

29 (b) The Board shall administer the Fund. The sole purpose of the Fund is to provide  
30 restitution to a North Carolina trainee or licensed or certified appraiser who has suffered a  
31 monetary loss as the result of the failure of an appraisal management company to pay appraisal  
32 fees owed. The Board shall adopt rules governing procedures for:

- 33 (1) Applying to the Board for restitution for unpaid appraisal fees.  
34 (2) Processing applications.  
35 (3) Granting requests for recovery of unpaid appraisal fees.  
36 (4) Subrogation or assignment of the rights of any applicant who receives a  
37 distribution from the Fund.

38 (c) The Board may use money in the Fund only to:

- 39 (1) Provide restitution to a North Carolina trainee or licensed or certified  
40 appraiser who has suffered a monetary loss as the result of the failure of an  
41 appraisal management company to pay an appraisal fee.  
42 (2) Purchase insurance to cover the payment of restitution for unpaid appraisal  
43 fees when the Board deems it appropriate to do so.  
44 (3) Invest amounts in the Fund that are not currently needed to pay claims and  
45 maintain adequate reserves in the manner in which the State law allows  
46 fiduciaries to invest funds.  
47 (4) Pay the expenses of the Board in administering the Fund.

48 (d) A North Carolina trainee or licensed or certified appraiser shall be entitled to  
49 restitution from the Fund in the following circumstances if no viable alternative for restitution  
50 is available as determined by the Board:



- 1           (1)    The appraisal management company that owes the appraisal fees has filed  
2                   for bankruptcy protection, either voluntarily or involuntarily;  
3           (2)    The North Carolina trainee or licensed or certified appraiser has obtained a  
4                   judgment against the appraisal management company for the appraisal fee  
5                   owed and the judgment remains unsatisfied; or  
6           (3)    The amount of the appraisal fee due is less than two thousand dollars  
7                   (\$2,000).

8           (e)    The amount to be paid from the Fund to the North Carolina trainee or licensed or  
9                   certified appraiser shall not exceed the actual amount of appraisal fees that are proven to be  
10                  owed to the applicant by the appraisal management company and, as determined by the Board,  
11                  reasonable and appropriate court costs associated with obtaining a final judgment against the  
12                  appraisal management company in favor of the applicant. If the amount of restitution to be paid  
13                  to any one or more applicants at any time exceeds the balance in the fund, the Board shall:

- 14                  (1)    Distribute as much of the restitution amount as possible, which shall be  
15                          deemed to satisfy in full any claim the applicant has on payments from the  
16                          Fund; and  
17                  (2)    In the case of distributions to more than one applicant, provide for a pro rata  
18                          distribution of the available Fund balance, which shall be deemed to satisfy  
19                          in full any claim the applicants have on payments from the Fund.

20           (f)    The Board may suspend collection of the fees imposed by G.S. 93E-2-6(d) for any  
21                   year if the balance of the Fund exceeds four hundred thousand dollars (\$400,000) and the  
22                   Board determines that the amount in the Fund is sufficient to meet likely disbursements from  
23                   the Fund for that year. The Board shall resume collection of fees if the balance falls below four  
24                   hundred thousand dollars (\$400,000). The Board shall submit annually a report to the State  
25                   Treasurer accounting for all monies credited to and expended from the Fund.

26           (g)    The Board is subrogated to an applicant who receives restitution from the Fund in  
27                   the amount disbursed and may bring an action against the appraisal management company that  
28                   failed to pay the appraisal fees owed. If an applicant receives payment from the Fund for an  
29                   appraisal fee and subsequently receives payment for that same appraisal, the applicant shall  
30                   reimburse the Fund the amount the applicant has received from the fund."

31           **SECTION 13.** G.S. 114-19.30 reads as rewritten:

32           **"§ 114-19.30. Criminal history record checks of applicants for trainee registration,**  
33                   **appraiser certification, or registrants for registration as real estate appraisal**  
34                   **management companies.**

35           The Department of Justice may provide to the North Carolina Appraisal Board from the  
36           State and National Repositories of Criminal Histories the criminal history of any applicant or  
37           registrant for registration under Article 1 and Article 2 of Chapter 93E of the General Statutes.  
38           Along with the request, the Board shall provide to the Department of Justice the fingerprints of  
39           the applicant or registrant, a form signed by the applicant or registrant consenting to the  
40           criminal history record check and use of fingerprints and other identifying information required  
41           by the State and National Repositories, and any additional information required by the  
42           Department of Justice. The applicant's or registrant's fingerprints shall be forwarded to the State  
43           Bureau of Investigation for a search of the State's criminal history record file, and the State  
44           Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of  
45           Investigation for a national criminal history record check. The Board shall keep all information  
46           obtained pursuant to this section confidential. The Department of Justice may charge a fee to  
47           offset the cost incurred by the Department to conduct a criminal history record check under this  
48           section. The fee shall not exceed the actual cost of locating, editing, researching, and retrieving  
49           the information."

50           **SECTION 14.** Any person who has been licensed or certified by the Board as a  
51           residential or general real estate appraiser on or before the effective date of this act shall be

1 deemed to have complied with the requirements of G.S. 93E-1-6, as enacted in Section 2 of this  
2 act.

3           **SECTION 15.** This act becomes effective January 1, 2014.