

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE BILL DRH10142-MQ-55 (03/08)

Short Title: Real Estate Appraisal Clarifications. (Public)

Sponsors: Representatives Hardister, Ross, and Goodman (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO CONFORM WITH FEDERAL GUIDELINES IN THE PERFORMANCE OF
3 EVALUATIONS FOR REAL PROPERTY FOR FEDERALLY REGULATED
4 FINANCIAL INSTITUTIONS.

5 The General Assembly of North Carolina enacts:

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

7 "§ 93E-1-4. Definitions.

8 When used in this Chapter, unless the context otherwise requires, the ~~term~~ following
9 definitions apply:

- 10 (1) "~~Appraisal~~" or "~~real estate appraisal~~" means an Appraisal or real estate
11 appraisal. – An analysis, opinion, or conclusion as to the value of identified
12 real estate or specified interests therein performed for compensation or other
13 valuable consideration.
- 14 (2) "~~Appraisal assignment~~" means an Appraisal assignment. – An engagement
15 for which an appraiser is employed or retained to act, or would be perceived
16 by third parties or the public as acting, as a disinterested third party in
17 rendering an unbiased appraisal.
- 18 (3) "~~Appraisal Board~~" or "~~Board~~" means the Appraisal Board or Board. – The
19 North Carolina Appraisal Board established under G.S. 93E-1-5.
- 20 (4) "~~Appraisal Foundation~~" or "~~Foundation~~" means Appraisal Foundation or
21 Foundation. – The Appraisal Foundation established on November 20, 1987,
22 as a not-for-profit corporation under the laws of Illinois.
- 23 (5) "~~Appraisal report~~" means any Appraisal report. – Any communication,
24 written or oral, of an appraisal.
- 25 (6) "~~Certificate~~" means that Certificate. – A document issued by the North
26 Carolina Appraisal Board evidencing that the individual person named
27 therein has satisfied the requirements for certification as a certified real
28 estate appraiser and bearing a certificate number assigned by the Board.
- 29 (7) "~~Certificate holder~~" means a person Certificate holder. – An individual
30 certified by the Board under the provisions of this Chapter.
- 31 (7a) "~~Certified general real estate appraiser~~" means a person Certified general real
32 estate appraiser. – An individual who holds a current, valid certificate as a
33 certified general real estate appraiser issued under the provisions of this
34 Chapter.
- 35 (7b) "~~Certified residential real estate appraiser~~" means a person Certified
36 residential real estate appraiser. – An individual who holds a current, valid



- 1 certificate as a certified residential real estate appraiser issued under the
2 provisions of this Chapter.
- 3 (7c) ~~"Comparative market analysis" and "broker price opinion" mean~~
4 ~~an~~Comparative market analysis or broker price opinion. – An estimate
5 prepared by a licensed real estate broker that details the probable selling
6 price or leasing price of a particular parcel of or interest in property and
7 provides a varying level of detail about the property's condition, market, and
8 neighborhood, and information on comparable properties, but does not
9 include an automated valuation model.
- 10 (7d) Evaluation. – A determination as to the value of real estate performed for a
11 federally regulated financial institution in accordance with the Interagency
12 Guidelines.
- 13 (7e) Interagency Guidelines. – The Interagency Appraisal and Evaluation
14 Guidelines issued jointly by the Federal Deposit Insurance Corporation,
15 Federal Reserve System, National Credit Union Administration, Office of
16 Thrift Supervision, and the Office of the Comptroller of the Currency.
- 17 (8) ~~"License" means that~~License. – A document issued by the North Carolina
18 Appraisal Board evidencing that the ~~person~~individual named therein has
19 satisfied the requirements for licensure as a licensed real estate appraiser and
20 bearing a license number assigned by the Board.
- 21 (8a) ~~"Licensed residential real estate appraiser" means a person~~Licensed
22 residential real estate appraiser. – An individual who holds a current, valid
23 license as a licensed residential real estate appraiser issued under the
24 provisions of this Chapter.
- 25 (9) ~~"Licensee" means a person~~Licensee. – An individual licensed by the Board
26 under the provisions of this Chapter.
- 27 (10) ~~"Real estate" or "real property" means land,~~Real estate or real property. –
28 Land, including the air above and ground below and all appurtenances and
29 improvements thereto, as well as any interest or right inherent in the
30 ownership of land.
- 31 (11) ~~"Real estate appraiser" or "appraiser" means a person~~Real estate appraiser or
32 appraiser. – An individual who for a fee or valuable consideration develops
33 and communicates real estate appraisals or otherwise gives an opinion of the
34 value of real estate or any interest therein.
- 35 (12) ~~"Real estate appraising" means the~~Real estate appraising. – The practice of
36 developing and communicating real estate appraisals.
- 37 (13) ~~"Residential real estate" means any~~Residential real estate. – A parcel of real
38 estate, improved or unimproved, that is exclusively residential in nature and
39 that includes or is intended to include a residential structure containing not
40 more than four dwelling units and no other improvements except those
41 which are typical residential improvements that support the residential use
42 for the location and property type. A residential unit in a condominium, town
43 house, or cooperative complex, or planned unit development is considered to
44 be residential real estate.
- 45 (14) through (16) Repealed by Session Laws 2007-506, s. 4, effective October 1,
46 2007.
- 47 (17) ~~"Temporary appraiser licensure or certification" means the~~Temporary
48 appraiser license or certification. – The issuance of a temporary license or
49 certificate by the Board to a ~~person~~an individual licensed or certified in
50 another state who enters this State for the purpose of completing a particular
51 appraisal assignment.

1 (18) ~~"Trainee", "registered trainee", or "trainee real estate appraiser"~~ means a
2 ~~person~~ Trainee, registered trainee, or trainee real estate appraiser. – An
3 individual who holds a current, valid registration as a trainee real estate
4 appraiser issued under the provisions of this Chapter.

5 (19) ~~"Trainee registration" or "registration as a trainee"~~ means the Trainee
6 registration or registration as a trainee. – A document issued by the North
7 Carolina Appraisal Board evidencing that the ~~person~~ individual named
8 therein has satisfied the requirements of registration as a trainee real estate
9 appraiser and bearing a registration number assigned by the Board."

10 **SECTION 2.** Article 1 of Chapter 93E of the General Statutes is amended by
11 adding a new section to read:

12 **"§ 93E-1-15. Evaluations performed by appraisers.**

13 Evaluations may be performed by persons licensed or certified by the Appraisal Board if
14 they are performed in accordance with the Interagency Guidelines. Appraisers performing
15 evaluations shall develop and report these evaluations in accordance with the Interagency
16 Appraisal and Evaluation Guidelines and do not have to report evaluations in accordance with
17 Standards 1 and 2 of the Uniform Standards of Professional Appraisal Practice. An evaluation
18 report shall contain a disclaimer stating that "This evaluation is not an appraisal performed in
19 accordance with Standards 1 and 2 of the Uniform Standards of Professional Appraisal Practice
20 and is intended only for the use of a federally regulated financial institution in accordance with
21 the Interagency Guidelines."

22 **SECTION 3.** This act is effective when it becomes law.