

GENERAL ASSEMBLY OF NORTH CAROLINA
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SENATE BILL DRS45364-MQ-89 (03/16)

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

Sponsors: Senators Rabin and Woodard (Primary Sponsors).

Referred to:

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 the principal dwelling of the~~
9 ~~consumer, 1-4 family residential properties,~~ an appraisal management company shall
10 ~~compensate appraisers in compliance with section 129E(i) of the federal Truth in Lending Act~~
11 ~~(15 U.S.C. § 1601 et seq.) and regulations promulgated thereunder. The Board shall adopt rules~~
12 ~~necessary to enforce this subsection. Rules establishing customary provide customary and~~
13 ~~reasonable compensation and offers of compensation to appraisers. Compensation and offers of~~
14 ~~compensation provided to an appraiser shall be presumed reasonable if the compensation or~~
15 ~~offer of compensation is in an amount that is reasonably related to recent rates paid by the~~
16 ~~consumer for comparable appraisal services performed in the geographic market of the property~~
17 ~~being appraised. Recent rates paid shall not include those amounts paid by appraisal~~
18 ~~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.