



# DAVID CRAIG

STATE SENATOR

Joint Committee on Housing  
17 October 2017  
Senate Bill 453 & Assembly Bill 533  
Senator David Craig, 28<sup>th</sup> Senate District

Chairmen Lasee, Jagler and Committee Members,

Thank you for hearing testimony on Senate Bill 453 and Assembly Bill 533.

This bipartisan bill will allow for the operation of Appraisal Management Companies (AMCs) in compliance with newly completed federal rules regulating the lending industry. AMCs are entities that provide appraisal services to lenders, underwriters or other principals in the secondary mortgage markets. Such services generally include contracting with licensed and certified appraisers to perform appraisal assignments. In April 2015, the Federal Consumer Financial Protection Bureau and five other federal agencies jointly adopted a final rule to implement the minimum requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd Frank) to be applied by participating states in the registration and supervision of AMCs.

Under the rule, states are allowed, but not required, to regulate AMCs. However, if a state has not established a regulatory structure for AMCs by August 10, 2018, all non-federally regulated AMCs are prohibited from providing appraisal management services for transactions involving federally-backed mortgages, which make up the vast majority of residential real estate transactions. Not passing a state law enabling AMCs to operate would restrict Wisconsin lenders' ability to participate (i.e., offer financing) in common residential real estate transactions which would severely limit financing options for Wisconsin homeowners.

SB 453/AB 533 satisfies the state AMC regulation requirements and contains the following key provisions:

**1. Appraiser competency**

- AMCs must verify that appraisers have current Wisconsin credentials required for the property being appraised and must have competency, including geographic competency, to perform such an appraisal order.

## **2. Appraiser compensation**

- AMCs must compensate appraisers at a rate that is reasonable and customary for appraisal services being performed in the market area of the property being appraised.
- AMCs shall separate appraiser fees vs. AMC fees in invoices and reports
- AMCs must pay within 30 days of AMC receipt of completed service unless breach of contract or other good cause

## **3. Appraiser review**

- AMCs must review appraiser's work to ensure regulatory compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).
- AMCs to provide process for removing appraisers from AMC appraiser panel and an appeal process for appraisers.

## **4. Appraiser independence**

- AMCs cannot inappropriately influence or coerce appraisers contrary to Truth In Lending Act (TILA).
- AMCs cannot change or require an appraiser to change appraisal results.

## **5. Enforcement**

- DSPS and REAB have the authority to regulate and discipline AMCs.

This bill was drafted in consultation with the Wisconsin Realtors Association (WRA), Wisconsin Mortgage Bankers Association (WMBA), Real Estate Valuation Advocacy Association (REVAA), and the appraiser community.

To date, 45 states have enacted similar AMC legislation. The five remaining states are Alaska, Massachusetts, Ohio, New York, and Wisconsin. This bill also includes a provision which would repeal the law should the federal rules be revoked.

Again, I appreciate your hearing of this bill today and I look forward to answering any questions you may have.



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# SCOTT ALLEN

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REPRESENTATIVE • 97<sup>TH</sup> ASSEMBLY DISTRICT

## Testimony on AB 533, SB 453

Relating to appraisal management companies

OCTOBER 17, 2017

Chairman Jagler and Chairman Lasee, members of the Assembly Housing and Real Estate Committee, and Senate Housing and Insurance Committee:

Thank you for the opportunity to testify today on AB 533/SB 453, relating to Appraisal Management Companies, or AMC's. During the next few minutes, I'd like to share with you the role AMC's play in the real estate market, why regulation is necessary, and how AB 533/SB 453's regulatory framework is minimal but effective.

While this is not a high-profile industry in the State of Wisconsin, AMC's provide a vital service in assisting mortgage lenders and real estate buyers with accurate appraisals. In the wake of the 2008 housing bubble collapse, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as Dodd-Frank. Within this legislation, Congress required the Consumer Financial Protection Bureau and five other government agencies to promulgate rules regarding AMC's. Because mortgage brokers, loan officers, and property owners have a financial stake in the value of the home, ensuring that the appraisal is performed by a neutral third party is an important element in stable, accurate real estate values. The CFPB rules were intended to ensure that an appraiser would be independent and knowledgeable with the local market.

Additionally, Congress mandated that after the rules were promulgated, states would have three years to bring their AMC regulations into line with federal standards. The federal government completed its work on August 10, 2015, and thus the deadline for the implementation of state regulations is August 10, 2018. It is important to know that some AMC's are federally regulated, and this bill does not impact them. Wisconsin does not currently regulate AMC's, but we do regulate appraisers under the Department of Safety and Professional Services.

Of course, no mandate from the federal government would be complete without a strong incentive for compliance. In this case, if Wisconsin does not create a specific, minimum standard for regulating Appraisal Management Companies, AMC's may not perform services related to a

federally-related transaction. Let me say this another way: without legislative guidance, lenders who use a standard AMC will not be able to use Fannie Mae and Freddie Mac.

Typical market forces of supply and demand are at work. Federally-regulated AMC's exist, but are far fewer in numbers than state AMC's. Eliminating Wisconsin's unregulated AMC's from competition drives up costs for consumers and lenders. Fewer approved AMC's would significantly slow the process for home selling and purchasing. Fortunately, there is a solution. Forty-five states have already enacted legislation to ensure the continuing operation of their AMC's, and I am happy to say that AB 533/SB 453 does the same for Wisconsin.

This bill is lengthy, and Legislative Reference Bureau has written an excellent analysis, but I do want to point out some highlights.

Under the bill, DSPS, which currently regulates appraisers, would regulate AMC's. Only licensed AMC's could advertise as an AMC. A license would be granted if the AMC submits certain information, pays a fee, and meets other applicable requirements. Persons who own more than 10 percent of an AMC must submit to background investigations prior to licensure and be of good moral character. AMC's would be required to compensate appraisers at a rate that is reasonable and customary. AMC's would also be required to review the work of appraisers performing work for the AMC, to ensure the appraisers are in compliance with the Uniform Standards of Professional Appraisal Practice. The bill also removes from the Real Estate Appraisers Board one public member, and replaces it with a controlling individual of an AMC.

We are acutely aware of the regulatory burdens faced by business, and do not wish to add unnecessary challenges for businesses to thrive. Thus, this bill regulates AMC's at the bare minimum required by federal law and administrative rule while fitting in the Wisconsin regulatory framework. Additionally, the bill anticipates the day when Dodd-Frank will be scaled down and ultimately repealed. Should the AMC provisions in Dodd-Frank end at the federal level, this bill provides that law reverts back to its current state.

As legislators, we are tasked with understanding issues and preventing future potential problems. This is an area where we can choose to act, and better protect consumers, home owners, and real estate markets. I ask you to recommend AB 533/SB 453 out of committee.



To: Members, Assembly Housing and Real Estate Committee and Senate Insurance, Housing and Trade Committee

From: Tom Larson, Senior Vice President of Legal and Public Affairs  
Debbi Conrad, Senior Attorney

Date: October 17, 2017

Re: AB 533/SB 453 – Appraisal Management Companies

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The Wisconsin REALTORS® Association supports AB 533/SB 453, legislation that will bring Wisconsin into compliance with federal law which requires states to regulate appraisal management companies (AMCs) by August 10, 2018.

**Background** – On April 30, 2015, the federal Consumer Financial Protection Bureau and five other federal agencies (collectively, the Agencies) jointly adopted a final rule to implement the minimum requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd Frank) to be applied by states in the regulation of appraisal management companies (AMCs).

An AMC is an entity that provides appraisal management services to lenders, underwriters or other principals in the secondary mortgage markets. Such services generally include contracting with licensed and certified appraisers to perform appraisal assignments. AMCs function as third-party intermediaries between lenders and appraisers to help ensure that appraisals of homes with federally-insured financing are both fair and accurate.

Under federal law, if a state has not established a regulatory structure for regulating AMCs by August 10, 2018, all non-federally regulated AMCs are prohibited from providing appraisal management services for federally related transactions (FRTs).<sup>1</sup> Currently, 60% of FRTs are performed by non-federally regulated AMCs. Thus, if Wisconsin does not adopt AMC regulations by August 10, 2018, a major disturbance in the financing of most residential real estate transactions could occur.

As of today, 45 states have passed legislation to regulate AMCs. Wisconsin is only one of five states that have not passed such legislation. Legislation is pending in the other four states (AK, MA, NY and OH) with passage likely prior to the August 2018 deadline.

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<sup>1</sup> Federally regulated AMCs" are AMCs that are subsidiaries owned and controlled by an insured depository institution and regulated by a federal financial institutions regulatory agency within the state." Under the final rule, federally regulated AMCs do not need to register with a state, but are subject to the same minimum requirements as state-regulated AMCs.

**Key Provisions in AMC Legislation – AB 533/SB 453** closely mirrors the federal AMC rule to the greatest extent possible and contains the following key provisions:

**1. Appraiser competency**

- AMCs must verify that appraisers have current Wisconsin credentials required for the property being appraised and must have competency, including geographic competency, to perform such an appraisal order.

**2. Appraiser compensation**

- AMCs must compensate appraisers at a rate that is reasonable and customary for appraisal services being performed in the market area of the property being appraised.
- AMCs shall separate appraiser fees vs. AMC fees in invoices and reports
- AMCs must pay within 30 days of AMC receipt of completed service unless breach of contract or other good cause

**3. Appraiser review**

- AMCs must review appraiser's work to ensure regulatory compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).
- AMCs to provide process for removing appraisers from AMC appraiser panel and an appeal process for appraisers.

**4. Appraiser independence**

- AMCs cannot inappropriately influence or coerce appraisers contrary to Truth In Lending Act (TILA).
- AMCs cannot change or require an appraiser to change appraisal results.

**5. Enforcement**

- DSPS and REAB have the authority to regulate and discipline AMCs.

**6. Automatic repeal**

- If Dodd Frank is modified or repealed so as not to require states to regulate AMCs, the legislation is effectively repealed.

The WRA respectfully requests your support for AB 533/SB 453. If you have questions or need additional information, please contact us at (608) 241-2047.



Wisconsin REALTORS® Association

**Appraisal Management Companies (AB 533/SB 453)  
Section-By-Section Breakdown**

AB 533/SB 453 Sections/Pages	DESCRIPTION	REASON/RATIONALE/AUTHORITY
Sec. 1, page 4, lines 1-3	Adds representative of an AMC to the Real Estate Appraisers Board (REAB)	Other states have done
Sec. 2, page 4, lines 4-6	Reduces the number of public members on the REAB from 3 to 2	REAB did not want to add any members so trade one public member for AMC rep
Sec. 3, page 4, lines 7-14 & page 5, lines 1-2	Exempts annual federal registry fees collected from DSPS appropriations	State budget measure
Sec. 4, page 5, lines 3-7	Makes DSPS determination of initial fee and renewal fee for AMS subject to the caps in § 458.33 (\$4,000 & \$2,000 respectively)	DSPS fee determinations
Sec. 5, page 5, lines 8-9	Establishes DSPS authority to investigate AMCs criminal record	DSPS profession provision
Sec. 6, page 5, lines 10-12	Sets AMC credential renewal date as Dec. 15 of odd-numbered years	DSPS profession provision
Sec. 7, page 5, lines 13-17	Splits Chapter 458 into subchapters; subchapter 1 is general provisions	formatting
Sec. 8, page 5, lines 18-20, new Wis. Stat. § 458.01(2m)	“Appraisal management company” has the meaning given in 12 CFR § 34.211(c)(AMC final rule)	(1) Appraisal management company (AMC) means a person that: (i) Provides appraisal management services to creditors or to secondary mortgage market participants, including affiliates; (ii) Provides such services in connection with valuing a consumer’s principal dwelling as security for a consumer credit transaction or incorporating such transactions into securitizations; and (iii) Within a given 12-month period, as defined in § 34.212(d), oversees an appraiser panel of more than 15 State-certified or State-licensed appraisers in a State or 25 or more State certified or State-licensed appraisers in two or more States, as described in § 34.212; (2) An AMC does not include a department or division of an entity that provides appraisal management services only to that entity
Sec. 9, page 5, lines 21-23	“Appraisal subcommittee” defined per 12 USC 3350(2)	Means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council
Sec. 10, page 5, line 24 & page 6, lines 1-3	REAB receives any AMC legislation proposed by DSPS prior to introduction	Chapter 458 REAB provision – parallel to provision for proposed appraiser legislation

Sec. 11, page 6, lines 4-7	DSPS authority to transmit AMC registry fees to the Federal Financial Institutions Examination Council	Title XI of FIRREA § 1109(a)(4), 12 USC 3338 as amended by Dodd-Frank; 124 Stat. 2194, p 820 of linked document
Sec. 12, page 6, lines 8-11	DSPS power to send informational letters, bulletins, hold clinics for AMCs	Chapter 458 REAB provision – parallel to provision for appraisers
Sec. 13, page 6, lines 12-14	DSPS power to advise secretary regarding AMC issues	Chapter 458 REAB provision – parallel to provision for appraisers
Sec. 14, page 6, lines 15-19	Language correction – appraiser subcommittee is defined in Sec. 9	Language correction
Sec. 15, page 6, lines 20-24	DSPS to transmit reports regarding AMCs including discipline to Appraisal Subcommittee	12 U.S.C. 3338(a) (requiring each participating State to transmit reports to the ASC on supervisory activities involving AMCs and disciplinary actions taken)
Sec. 16, page 6, line 25; page 7, lines 1-10	Optional authorization for Secretary to create AMC advisory committee	Chapter 458 REAB provision – parallel to provision for appraisers
Sec. 17, page 7, lines 11-15	Splits Chapter 458 into subchapters; subchapter II is real estate appraisers	formatting
Secs. 18-29, pages 7-9	Changes references to “chapter” to say “subchapter;” language change in Sec.24	formatting
Sec. 30, page 9, line 25; page 10, lines 1-4	Splits Chapter 458 into subchapters; subchapter III is real estate appraisal management companies	formatting
Page 10, lines 6-7, § 458.31(1)	Definition – “appraisal management company” – same as Sec. 8 above	This also appears in the definitions in § 458.01 that apply to the whole chapter.
Page 10, lines 8-9	Definition -- “Appraisal management services” has the meaning given in 12 CFR 34.211(d) (AMC final rule)	“(d) Appraisal management services means one or more of the following: (1) Recruiting, selecting, and retaining appraisers; (2) Contracting with State-certified or State-licensed appraisers to perform appraisal assignments; (3) Managing the process of having an appraisal performed, including providing administrative services such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and secondary market participants, collecting fees from creditors and secondary market participants for services provided, and paying appraisers for services performed; and (4) Reviewing and verifying the work of appraisers.”
Page 10, lines 10-21	Definition – appraisal review: “(3) (a) Except as provided in par. (b), “appraisal review” means the process of developing and communicating an opinion about the quality of another appraiser's work that was performed as part of an appraisal assignment or appraisal review assignment related to the appraiser's data collection, analysis, opinions, conclusions, estimate of value, or compliance with the Uniform Standards of Professional Appraisal Practice described in s.	The first portion in (a) is based on the USPAP definition. USPAP says: “APPRAISAL REVIEW: the act or process of developing and communicating an opinion about the quality of another appraiser’s work that was performed as part of an appraisal, appraisal review, or appraisal consulting assignment.”  The second portion in (b) came from the Real Estate Valuation Advocacy Association (REVAA) which said the AMC review process does not include checking math errors, grammatical errors, regulatory requirements, etc.



	<p>458.24.”</p> <p>“(b) “Appraisal review” does not include any of the following:</p> <ol style="list-style-type: none"> <li>1. A general examination for grammatical, typographical, mathematical, or other similar errors.</li> <li>2. A general examination for completeness, including regulatory or client requirements as specified in the agreement process, that does not communicate an opinion of value.”</li> </ol>	
Page 10, line 22	<p>Definition – “Appraiser panel” has the meaning given in 12 CFR 34.211(e).</p>	<p>“(e) Appraiser panel means a network, list or roster of licensed or certified appraisers approved by an AMC to perform appraisals as independent contractors for the AMC. Appraisers on an AMC’s “appraiser panel” under this part include both appraisers accepted by the AMC for consideration for future appraisal assignments in covered transactions or for secondary mortgage market participants in connection with covered transactions and appraisers engaged by the AMC to perform one or more appraisals in covered transactions or for secondary mortgage market participants in connection with covered transactions. An appraiser is an independent contractor for purposes of this subpart if the appraiser is treated as an independent contractor by the AMC for purposes of Federal income taxation.”</p>
Page 10, lines 23-24	<p>Definition – “Client” means a person that contracts with an AMC for the performance of appraisal management services for the person.</p>	<p>Based on Appraisal Institute Model Act</p>
Page 10, line 25; page 11, lines 1-7	<p>Definition – “Controlling individual:” (a) An owner, officer, or director of an AMC. (b) An individual who is authorized by an AMC to do all of the following:</p> <ol style="list-style-type: none"> <li>1. Contract with a client.</li> <li>2. Contract with an independent appraiser to perform an appraisal service.</li> </ol> <p>(c) An individual who has direct or indirect power to direct or cause the direction of AMC management or policies</p>	<p>Based on Appraisal Institute Model Act</p>
Page 11, lines 8-9	<p>Definition -- “Federally regulated appraisal management company” has the meaning given in 12 CFR 34.211(k).</p>	<p>“(k) Federally regulated AMC means an AMC that is owned and controlled by an insured depository institution, as defined in 12 U.S.C. 1813 and regulated by the Office of the 82 Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation.”</p>
Page 11, lines 10-11	<p>Definition – “independent appraiser:” an appraiser who performs appraisal service on an independent contractor basis.</p>	<p>Legislative drafting</p>

Page 11, lines 12-13	Definition – “licensed appraisal management company:” AMC licensed under § 458.33	Legislative drafting
Page 11, line 14	Definition – “person:” has the meaning given in 12 CFR 34.211(m).	“(m) Person means a natural person or an organization, including a corporation, partnership, proprietorship, association, cooperative, estate, trust, or government unit.”
Page 11, Lines 15-22	<b>458.32 Prohibited conduct.</b> No AMC may perform services for compensation or advertise as AMC unless licensed.	Title XI of FIRREA § 1124(a)&(f), 12 USC 3353 (f)(1)
Page 11, Lines 23-25; pages 12-13 & lines 1-5 of page 14	<b>458.33 Licensure.</b> Application form and requirements described, AMC license requirements, initial credential fee not to exceed \$4,000, DSPS background investigation, denial grounds, renewal, renewal fee not to exceed \$2,000.	DSPS process & procedure; Appraisal Institute Model Act
Page 14, Lines 6-11	<b>458.34 Exemptions. (1)</b> No AMC license required for (a) Appraisal co-signers (b) A federally regulated appraisal management company	Appraisal Institute Model Act
Page 14, Lines 12-22	<b>458.34 Exemptions. (1)</b> No AMC license required for (c) A department or unit within a financial institution subject to direct regulation by an United States government agency that is a member of the FFIEC or an agency of this state, and receives a request for the performance of an appraisal from one employee of the financial institution, and another employee of the same financial institution assigns the request for the appraisal to an appraiser that is an independent contractor to the institution. A federally regulated AMC is not a “department or unit within a financial institution” hereunder. (d) An AMC that does not contract with independent appraisers for the performance of appraisal services.	Title XI of FIRREA § 1124(c), 12 USC 3353 as amended by Dodd-Frank; 124 Stat. 2192  An AMC that is a subsidiary owned and controlled by an insured depository institution and regulated by a Federal financial institutions regulatory agency is subject to all of the minimum requirements for AMCs, except the requirement to register with a State.  Legislative drafting – exemptions for an appraisal firm with appraisers who are employees
Page 14, Lines 23-25; page 15, lines 1-4	<b>458.34 Exemptions. (2)-(3)</b> a federally regulated AMC may advertise as AMC, but not as a licensed AMC, and must comply with 458 laws	Federally regulated AMCs must comply with §§ 458.35, 458.365, 458.37, 458.38, 458.39, 458.41, 458.43, and 458.44
Page 15, lines 5-24	<b>458.35 Limitations. (1)(a)</b> Licensed AMC’s appraisers must be credentialed (certified or licensed)  (1)(b) Licensed AMC can’t employ staff who order or review appraisals if had credential revoked, etc.	Title XI of FIRREA § 1124(a)(1), 12 USC 3353 as amended by Dodd-Frank; 124 Stat. 2192  Appraisal Institute Model Act

	(1)(c) –(d) AMC can't use appraiser if had credential revoked, etc. or employs or under contract with person who had discipline/credential revoked, etc.	Appraisal Institute Model Act
Page 16, lines 1-11	<b>458.35 Limitations.</b> (2)(a) Licensed AMC can't be owned by person who had credential revoked, etc.	Title XI of FIRREA § 1124(d), 12 USC 3353 as amended by Dodd-Frank; 124 Stat. 2192, p 818 of linked document
	(2)(b) AMC can't be owned by person that is more than 10 % owned by another person who had credential revoked, etc.	Appraisal Institute Model Act
Page 16, lines 12-25; page 17, line 1	<b>458.36 Designated controlling individuals.</b> Each AMC shall have contact person who is a certified appraiser in good standing with good moral character and background.	Appraisal Institute Model Act
Page 17, lines 2-6	<b>458.365 Appraisal management services in federally related transactions; annual registry fee required.</b> Licensed AMCs must pay annual registry fee to perform appraisal management services in a federally related transaction.	Based on Title XI of FIRREA § 1109(a)(4), 12 USC 3338 as amended by Dodd-Frank; 124 Stat. 2194.  Registry fee forwarded by DSPS to the appraisal subcommittee
Page 17, lines 7-25; page 18; page 19, line 1-5	<b>458.37 Appraiser competency.</b> (1) AMC to verify appraisers have requisite education, expertise, and experience necessary to competently complete the appraisal assignment for the particular market and property type, and have credential and in good standing	Dodd-Frank requires USPAP compliant and credentialed appraisers; 12 CFR 34.213.
	<b>458.37 Appraiser competency.</b> (2) Before assigning an appraisal service to an appraiser, a licensed AMC shall obtain a written declaration from the appraiser that appraiser is/will become competent re: property type & geographic area, has/will access appropriate data resources and will notify if finds not competent	Appraisal Institute representative suggestion
	<b>458.37 Appraiser competency.</b> (3) Before appraiser added to an appraiser panel, a licensed AMC shall require written declaration of appraiser's competency re: geographic areas, types of properties and methodologies. Must update annually.	Appraisal Institute representative suggestion
	<b>458.37 Appraiser competency.</b> (4) AMCs must review work to ensure USPAP and regulatory compliance	Appraisal management service under Dodd-Frank includes review of appraisals

	<b>458.37 Appraiser competency. (5)</b> Appraiser assigned to review appraisals of Wisconsin property must have current Wisconsin credential at level required for property type	Based on Appraisal Institute Model Act
Page 19, lines 6-23; page 20, lines 1-8	<b>458.38 Compensation of appraisers. (1)</b> A licensed AMC compensate appraisers at a rate that is reasonable and customary for appraisal services being performed in the market area of the property being appraised in accordance with 15 USC 1639e and rules promulgated under 15 USC 1639e	Part of appraisal independence standards: Title XI of FIRREA § 1124(d), 12 USC 3353 as amended by Dodd-Frank; 124 Stat. 2192 – Chapter 2 of Truth in Lending Act, § 129E, 15 USC § 1639e, 124 Stat. 2189
	(2) AMC shall separately state appraiser fees vs. AMC appraiser management fees in reports and written communications	Appraisal Institute Model Act
	(3)(a) AMC must pay within 30 days of AMC receipt of completed service unless breach of contract or other good cause	Appraisal Institute Model Act modified by REAB and appraiser input
	(3)(b) can't include AMC fees in amounts reported as appraiser compensation	Appraisal Institute Model Act
	(3)(c) can't prohibit appraiser from showing fee AMC paid to appraiser	Appraisal Institute Model Act
	(3)(d) can't require appraiser to agree fees paid were reasonable and customary	Other states
Page 20, lines 9-24	<b>458.39 Recordkeeping. (1)</b> AMC must keep written record of service requests, appraisers performing services and substantive communications between AMC and appraisers for 5 years	Appraisal Institute Model Act
	(2) DSPS may audit records	Appraisal Institute Model Act
Page 21, lines 1-25; pages 22-23	<b>458.41 Appraiser independence.</b>	Title XI of FIRREA § 1124(a)(4), 12 USC 3353 as amended by Dodd-Frank; 124 Stat. 2192 says AMCs must require appraisals conducted independently/free from inappropriate influence & coercion per appraisal independence standards under §129E of the Truth in Lending Act: Chapter 2 of TIL Act, § 129E, 15 USC § 1639e, 124 Stat. 2189
	(1) Requires appraisals conducted free from coercion and undue influence	Chapter 2 of Truth in Lending Act, § 129E, 15 USC § 1639e, 124 Stat. 2189
	(2) AMCs cannot inappropriately influence or coerce appraiser contrary to Truth in Lending § 129E by: (a) Withhold/threaten to withhold payment for service (b) Withhold/threaten to withhold future business, demote/terminate appraiser (c) Promise future business, promotions, increased compensation	Chapter 2 of Truth in Lending Act, § 129E, 15 USC § 1639e, 124 Stat. 2189  Similar to TIL regs; App Instit. Model Act  Similar to TIL regs; App Instit. Model Act  Appraisal Institute Model Act

Pages 22-23 (cont.)	(d) Condition assignment or compensation on desired preliminary estimate or target value	Similar to TIL regs; App Instit .Model Act
	(e) Requiring estimated, predetermined, or desired value or requiring estimated comps prior to completion of appraisal	Appraisal Institute Model Act
	(f) Target value provided (excludes copy of offer as required per USPAP)	Chapter 2 of Truth in Lending Act, § 129E, 15 USC § 1639e, 124 Stat. 2189
	(g) Provide benefits to family, friends, etc.	Appraisal Institute Model Act
	(h) Threat to remove from appraiser panel	Similar to TIL regs; App Instit. Model Act
	(i) 2 <sup>nd</sup> appraisal or AVM without basis to exert influence	Appraisal Institute Model Act
(j) Require appraiser to hold AMC harmless for damages from AMC services	Appraisal Institute Model Act	
(k) Any other act impairing independence, objectivity or impartiality	Chapter 2 of Truth in Lending Act, § 129E, 15 USC § 1639e, 124 Stat. 2189	
(3) No licensed AMC may:		
(a) Change appraisal report or results	Appraisal Institute Model Act	
(b) Require appraiser to change results	Appraisal Institute Model Act	
(c) Require appraiser to perform if appraiser determines he doesn't have necessary expertise re: geographic area and notifies AMC	Appraisal Institute Model Act	
(d) Require appraiser to perform if appraiser determines time frame inadequate and notifies AMC in writing	Appraisal Institute Model Act	
(e) Interfere w/ appraiser obtaining information	Appraisal Institute Model Act	
(f) Require conduct in violation of USPAP or client conditions/standards	Title XI of FIRREA § 1124(a)(3)	
(4) AMC can ask appraiser to consider additional info., comps, provide explanation or correct errors	Chapter 2 of Truth in Lending Act, § 129E, 15 USC § 1639e, 124 Stat. 2189	
(5) Appraiser may communicate and exchange information with others if does not inappropriately influence or coerce	Chapter 2 of Truth in Lending Act, § 129E, 15 USC § 1639e, 124 Stat. 2189	
Page 24, lines 1-7	<b>458.42 License number.</b> DSPS will publish list; AMCs display number in advertising and visual communications	DSPS process & procedure; Appraisal Institute Model Act
Page 24, lines 8-24; page 25, lines 1-16	<b>458.43 Department review of decisions concerning appraisers.</b> Process for appraiser to appeal dismissal from AMC appraiser panel to REAB, AMC must give written notice to appraiser stating violated law or reg.; N/A 1 <sup>st</sup> 60 days on panel	Appraisal Institute Model Act

Page 25, lines 17-25; page 26; page 27, lines 1-17	<b>458.44 Disciplinary proceedings and actions.</b> Parallels appraiser discipline provisions. DSPS may file complaint, investigate, conduct disciplinary proceedings and conditionally or unconditionally limit, suspend, or revoke a license, or assess forfeiture \$100-10,000	DSPS process & procedure; Appraisal Institute Model Act
Page 27, lines 18-19	<b>458.45 Penalties.</b> not more than \$10,000	Appraisal Institute Model Act says \$25,000, Chapter 2 of TIL Act, § 129E says \$10,000, appraisers (REAB) is \$1,000
Page 27, lines 20-23	<b>458.46 Rules.</b> Authority to DSPS to promulgate rules to implement new law	DSPS process & procedure; Appraisal Institute Model Act
Page 27, lines 24-25; page 28, lines 1-4	<b>458.48 Nonapplicability.</b> Provisions for licensing and regulation of AMC don't apply if federal law amended/repealed to allow AMCs in Wis. w/o state license	
Sec. 31, Page 28, lines 5-15	<b>Nonstatutory provisions.</b> (1) authority for DSPS to promulgate emergency rules to ramp up and implement new AMC laws	
Sec. 32, Page 28, lines 16-18	Effective date July 1, 2018	Except for Section 31 regarding emergency rules that take effect immediately