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 THE GENERAL ASSEMBLY OF PENNSYLVANIA
 

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# HOUSE BILL

No. 398 Session of  
2011

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INTRODUCED BY STEVENSON, HELM, QUINN, BOYD, BUXTON, CALTAGIRONE, CARROLL, CLYMER, D. COSTA, CREIGHTON, DeLUCA, DENLINGER, ELLIS, J. EVANS, FARRY, GEIST, GIBBONS, GODSHALL, GOODMAN, GRELL, GROVE, HARKINS, HENNESSEY, HORNAMAN, M. K. KELLER, KILLION, KOTIK, KULA, MAJOR, MARKOSEK, MARSICO, MILLER, MURT, O'NEILL, PEIFER, PICKETT, PYLE, READSHAW, REICHLEY, SAYLOR, SCAVELLO, SONNEY, VULAKOVICH, WATSON, YOUNGBLOOD, STURLA, DAVIS, SANTONI, ROCK, KAUFFMAN, BEAR, DAVIDSON, KORTZ AND SANTARSIERO, FEBRUARY 2, 2011

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SENATOR TOMLINSON, CONSUMER PROTECTION AND PROFESSIONAL LICENSURE, IN SENATE, AS AMENDED, OCTOBER 25, 2011

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## AN ACT

1 Providing for registration of appraisal management companies,  
2 for powers of the State Board of Certified Real Estate  
3 Appraisers with respect to appraisal management companies,  
4 for the responsibilities and duties of appraisal management  
5 companies, for prohibited activities, for discipline and for  
6 penalties.

7 The General Assembly of the Commonwealth of Pennsylvania

8 hereby enacts as follows:

9 ~~Section 1. Short title.~~ ←

10 ~~This act shall be known and may be cited as the Appraisal~~  
11 ~~Management Company Registration Act.~~

12 ~~Section 2. Definitions.~~

13 ~~The following words and phrases when used in this act shall~~  
14 ~~have the meanings given to them in this section unless the~~  
15 ~~context clearly indicates otherwise:~~

1       ~~"Applicant." A person who files an application for~~  
2 ~~registration as an appraisal management company.~~

3       ~~"Appraisal." The term has the meaning provided in section 2~~  
4 ~~of the act of July 10, 1990 (P.L.404, No.98), known as the Real~~  
5 ~~Estate Appraisers Certification Act.~~

6       ~~"Appraisal management company." A person that provides~~  
7 ~~appraisal management services and acts as a third party~~  
8 ~~intermediary between a person seeking a valuation of real estate~~  
9 ~~and an appraiser or firm of appraisers.~~

10       ~~"Appraisal management services." Conducting business by~~  
11 ~~telephone, by electronic means, by mail or in person directly or~~  
12 ~~indirectly for compensation or in the expectation of~~  
13 ~~compensation to manage the performance of appraisals for a~~  
14 ~~client, including, without limitation:~~

15             ~~(1) Recruiting appraisers.~~

16             ~~(2) Contracting with appraisers to perform appraisals.~~

17             ~~(3) Negotiating fees with appraisers.~~

18             ~~(4) Receiving appraisal orders and appraisals.~~

19             ~~(5) Submitting appraisals received from appraisers to~~  
20 ~~the client.~~

21             ~~(6) Providing related administrative and clerical~~  
22 ~~duties.~~

23       ~~"Appraisal review." The act or process of developing and~~  
24 ~~communicating an opinion about the quality, adequacy or~~  
25 ~~reasonableness of the work of an appraiser, including the~~  
26 ~~appraiser's opinions or conclusions developed in an appraisal~~  
27 ~~assignment, such as value.~~

28       ~~"Appraiser." An individual certified under the act of July~~  
29 ~~10, 1990 (P.L.404, No.98), known as the Real Estate Appraisers~~  
30 ~~Certification Act, as a certified residential appraiser or~~

1 ~~certified general appraiser.~~

2 ~~"Appraiser panel." A group of appraisers that have been~~  
3 ~~selected by an appraisal management company to perform~~  
4 ~~appraisals for the appraisal management company.~~

5 ~~"Board." The State Board of Certified Real Estate Appraisers~~  
6 ~~within the Bureau of Professional and Occupational Affairs in~~  
7 ~~the Department of State.~~

8 ~~"Client." A person that contracts with or otherwise enters~~  
9 ~~into an agreement with an appraisal management company for the~~  
10 ~~performance of appraisal management services.~~

11 ~~"Compliance person." An individual who is employed,~~  
12 ~~appointed or authorized by an appraisal management company to be~~  
13 ~~responsible for ensuring compliance with this act.~~

14 ~~"Exempt company." A person that is exempted by Federal law~~  
15 ~~from registering under this act.~~

16 ~~"Key person." A person other than a compliance person who is~~  
17 ~~a director, officer, supervisor, manager or other person~~  
18 ~~performing a similar function in an appraisal management~~  
19 ~~company.~~

20 ~~"Mortgage Bankers and Brokers and Consumer Equity Protection~~  
21 ~~Act." The act of December 22, 1989 (P.L.687, No. 90), known as~~  
22 ~~the Mortgage Bankers and Brokers and Consumer Equity Protection~~  
23 ~~Act.~~

24 ~~"REACA." The act of July 10, 1990 (P.L.404, No.98), known as~~  
25 ~~the Real Estate Appraisers Certification Act.~~

26 ~~"Registrant." An appraisal management company that is~~  
27 ~~registered under this act.~~

28 ~~"RELRA." The act of February 19, 1980 (P.L.15, No.9), known~~  
29 ~~as the Real Estate Licensing and Registration Act.~~

30 ~~Section 3. Registration of appraisal management companies~~

1           ~~required.~~

2       ~~(a) General rule. Except as provided in subsection (b), a~~  
3 ~~person who is not an exempt company or a registrant may not:~~

4           ~~(1) Act as an appraisal management company in this~~  
5 ~~Commonwealth.~~

6           ~~(2) Hold out as an appraisal management company in this~~  
7 ~~Commonwealth.~~

8           ~~(3) Advertise or hold out as engaging in or conducting~~  
9 ~~the business of an appraisal management company in this~~  
10 ~~Commonwealth.~~

11 ~~(b) Exceptions. This act does not apply to:~~

12       ~~(1) An appraiser who:~~

13           ~~(i) in the normal course of business enters into an~~  
14 ~~agreement, whether written or otherwise, with an~~  
15 ~~appraiser for the performance of an appraisal; and~~

16           ~~(ii) under the agreement cosigns the appraisal upon~~  
17 ~~its completion.~~

18       ~~(2) A person authorized to engage in business as a~~  
19 ~~banking institution, credit union or savings association~~  
20 ~~organized under the laws of this Commonwealth or any other~~  
21 ~~jurisdiction.~~

22 ~~Section 4. Powers of the board.~~

23       ~~(a) Regulations. The board shall have the powers necessary~~  
24 ~~to implement, administer and enforce this act, including,~~  
25 ~~without limitation, the power to adopt rules and regulations~~  
26 ~~consistent with this act.~~

27       ~~(b) Guidelines. In order to facilitate the speedy~~  
28 ~~implementation of this act, the board shall have the power and~~  
29 ~~authority to promulgate, adopt and use guidelines to prescribe~~  
30 ~~the procedures, forms and standards required for registration~~

1 ~~under this section, subject to the following provisions:~~

2 ~~(1) Guidelines promulgated under this subsection shall~~  
3 ~~be published in the Pennsylvania Bulletin.~~

4 ~~(2) Guidelines promulgated under this subsection shall~~  
5 ~~be submitted for review pursuant to the procedures set forth~~  
6 ~~in section 4 of Executive Order 1996 1.~~

7 ~~(3) Guidelines promulgated under this subsection shall~~  
8 ~~not be subject to review under:~~

9 ~~(i) Section 205 of the act of July 31, 1968~~  
10 ~~(P.L.769, No.240), referred to as the Commonwealth~~  
11 ~~Documents Law.~~

12 ~~(ii) Sections 204(b) and 301(10) of the act of~~  
13 ~~October 15, 1980 (P.L.950, No.164), known as the~~  
14 ~~Commonwealth Attorneys Act.~~

15 ~~(iii) The act of June 25, 1982 (P.L.633, No.181),~~  
16 ~~known as the Regulatory Review Act.~~

17 ~~(4) Guidelines promulgated under this subsection shall~~  
18 ~~be effective for a period not to exceed the effective date of~~  
19 ~~a final rulemaking promulgated by the board pursuant to the~~  
20 ~~authority granted in subsection (a), or two years from the~~  
21 ~~effective date of this act, whichever is earlier.~~

22 ~~Section 5. Requirements for registration.~~

23 ~~(a) Application. Before acting or offering to act as an~~  
24 ~~appraisal management company in this Commonwealth, a person that~~  
25 ~~is not an exempt company shall make written application to the~~  
26 ~~board for registration accompanied by the required fee and bond.~~

27 ~~(b) Required information. The application shall contain~~  
28 ~~such information as the board shall require, including, without~~  
29 ~~limitation, the following information:~~

30 ~~(1) The name, business street address, telephone number~~

1 ~~and other contact information of the applicant.~~

2 ~~(2) If the applicant is not an individual and is~~  
3 ~~incorporated or otherwise formed under the laws of a~~  
4 ~~jurisdiction other than this Commonwealth, documentation that~~  
5 ~~the applicant is authorized to transact business in this~~  
6 ~~Commonwealth.~~

7 ~~(3) The name, street address, telephone number and other~~  
8 ~~contact information of any person that owns 10% or more of~~  
9 ~~the applicant.~~

10 ~~(4) The name, street address, telephone number and other~~  
11 ~~contact information of the applicant's compliance person.~~

12 ~~(5) A certification that the applicant:~~

13 ~~(i) Has a system in place to verify that a person~~  
14 ~~being added to an appraiser panel of the applicant or who~~  
15 ~~will otherwise perform appraisals for the applicant of~~  
16 ~~property located in this Commonwealth is certified and in~~  
17 ~~good standing in this Commonwealth under REACA.~~

18 ~~(ii) Has a system in place for the performance of~~  
19 ~~appraisal reviews with respect to the work of all~~  
20 ~~appraisers that are performing appraisals for the~~  
21 ~~applicant of property located in this Commonwealth to~~  
22 ~~determine whether the appraisals are being conducted in~~  
23 ~~conformance with the minimum standards under REACA both~~  
24 ~~on a periodic basis and whenever requested by a client.~~

25 ~~(iii) Maintains a detailed record of each request~~  
26 ~~for an appraisal that it receives, the appraiser assigned~~  
27 ~~to perform the appraisal, the fees received from the~~  
28 ~~client for the appraisal and the payment to the~~  
29 ~~appraiser.~~

30 ~~(6) Any discipline imposed on the applicant in this~~

1 ~~Commonwealth or any other state under any law regulating~~  
2 ~~appraisers, appraisal management companies or real estate~~  
3 ~~brokers or salespersons.~~

4 ~~(7) Any other information required by rules and~~  
5 ~~regulations of the board.~~

6 ~~(c) Requirements for registration. The board shall register~~  
7 ~~an applicant as an appraisal management company in this~~  
8 ~~Commonwealth upon:~~

9 ~~(1) Receipt of a properly completed application.~~

10 ~~(2) Payment of the required fee.~~

11 ~~(3) Posting of the required bond.~~

12 ~~(4) A determination by the board that the activities of~~  
13 ~~the applicant will be directed and conducted by persons of~~  
14 ~~good moral character as defined in the rules and regulations~~  
15 ~~of the board.~~

16 ~~(d) Denial of application.~~

17 ~~(1) If the board finds that there is reason to deny the~~  
18 ~~application for registration, the board shall notify the~~  
19 ~~applicant that the application has been denied and shall~~  
20 ~~afford the applicant an opportunity for a hearing before the~~  
21 ~~board to show cause why the application should not be denied.~~

22 ~~(2) All proceedings concerning the denial of an~~  
23 ~~application for registration shall be governed by 2 Pa.C.S.~~  
24 ~~(relating to administrative law and procedure).~~

25 ~~(e) Construction. The acceptance by the board of an~~  
26 ~~application for registration does not constitute the approval of~~  
27 ~~its contents or waive the authority of the board to take~~  
28 ~~disciplinary action under this act.~~

29 ~~Section 6. Fees and renewals.~~

30 ~~(a) Filing fees. The fee to file an application for~~

1 ~~registration or renewal of a registration under this act shall~~  
2 ~~be \$1,000 or such other amounts as are set by the rules and~~  
3 ~~regulations of the board.~~

4 ~~(b) Bond.—~~

5 ~~(1) In addition to the filing fee, each applicant for~~  
6 ~~registration shall post with the board and maintain a surety~~  
7 ~~bond in the amount of \$20,000, or such other amount as shall~~  
8 ~~be set by the rules and regulations of the board.~~

9 ~~(2) The bond shall:~~

10 ~~(i) Be in the form prescribed by the rules and~~  
11 ~~regulations of the board.~~

12 ~~(ii) Accrue to the Commonwealth for the benefit of a~~  
13 ~~claimant against the registrant to secure the faithful~~  
14 ~~performance of the registrant's obligations under this~~  
15 ~~act.~~

16 ~~(3) The aggregate liability of the surety shall not~~  
17 ~~exceed the principal sum of the bond.~~

18 ~~(4) A party having a claim against the registrant may~~  
19 ~~bring suit directly on the surety bond or the board may bring~~  
20 ~~suit on behalf of the party having a claim against the~~  
21 ~~registrant.~~

22 ~~(5) A deposit of cash or security may be accepted in~~  
23 ~~lieu of the bond.~~

24 ~~(6) The amount of the bond shall be restored to the full~~  
25 ~~amount required within 15 days after the payment of any claim~~  
26 ~~on the bond.~~

27 ~~(c) Renewal.—~~

28 ~~(1) Registrations under this act shall be renewed on a~~  
29 ~~biennial basis for persons in good standing.~~

30 ~~(2) Failure to timely renew a registration shall result~~



1 ~~in a loss of authority to operate under this act.~~

2 ~~(3) A request to reinstate a registration shall be~~  
3 ~~accompanied by payment of a penalty of \$50 for each month of~~  
4 ~~delinquency.~~

5 ~~(4) The contents of an application for renewal shall be~~  
6 ~~prescribed by the rules and regulations of the board.~~

7 ~~Section 7. Responsibilities and duties of appraisal management~~  
8 ~~companies.~~

9 ~~(a) Conduct of reviews. All appraisal reviews, as defined~~  
10 ~~by the Uniform Standards of Professional Appraisal Practice,~~  
11 ~~must be conducted by a certified or licensed appraiser in good~~  
12 ~~standing in this Commonwealth or another state.~~

13 ~~(b) Records.—~~

14 ~~(1) An appraisal management company shall maintain or~~  
15 ~~cause to be maintained:~~

16 ~~(i) in the case of a registrant, complete records of~~  
17 ~~its compliance with the certifications required under~~  
18 ~~section 5(b)(5); and~~

19 ~~(ii) in all cases, such accounts, correspondence,~~  
20 ~~memoranda, papers, books and other records as shall be~~  
21 ~~required by the rules and regulations of the board.~~

22 ~~(2) The records must be retained for the longer of:~~

23 ~~(i) five years after their preparation;~~

24 ~~(ii) two years after final disposition of any~~  
25 ~~judicial proceeding that involves the actions of the~~  
26 ~~appraisal management company that are the subject of the~~  
27 ~~records; or~~

28 ~~(iii) such other period as shall be required by the~~  
29 ~~rules and regulations of the board with respect to a~~  
30 ~~particular class or type of records.~~

1           ~~(3) The board may inspect the records required by~~  
2 ~~paragraph (1) periodically or if the board determines that~~  
3 ~~the records are pertinent to an investigation of a complaint~~  
4 ~~against an appraisal management company.~~

5 ~~(c) Compliance person.~~

6           ~~(1) An appraisal management company shall at all times~~  
7 ~~have a compliance person.~~

8           ~~(2) A registrant shall file a form with the board~~  
9 ~~certifying:~~

10           ~~(i) The identity of its compliance person.~~

11           ~~(ii) The individual's acceptance of the~~  
12 ~~responsibilities of a compliance person.~~

13           ~~(3) A registrant shall notify the board within 30 days~~  
14 ~~of a change in its compliance person.~~

15           ~~(4) An individual registrant who operates as a sole~~  
16 ~~proprietorship is considered the compliance person under this~~  
17 ~~act.~~

18           ~~(d) Updating of board records. If the information contained~~  
19 ~~in a document filed with the board is or becomes inaccurate or~~  
20 ~~incomplete in any material respect, the registrant shall~~  
21 ~~promptly file an amendment correcting the information contained~~  
22 ~~in the document.~~

23           ~~(e) Disclosure. An appraisal management company shall~~  
24 ~~disclose to its client the fees paid for an appraisal separately~~  
25 ~~from any other fees or charges for appraisal management~~  
26 ~~services.~~

27           ~~(f) Notice of discipline. A registrant must notify the~~  
28 ~~board in writing within 30 days after its occurrence of any~~  
29 ~~denial, revocation or suspension of its designation,~~  
30 ~~registration, certificate or license under any law of any~~

1 ~~jurisdiction other than this Commonwealth regulating appraisal~~  
2 ~~management companies, the imposition of any other form of~~  
3 ~~discipline under any such law, or the commencement of a~~  
4 ~~disciplinary or enforcement action against the registrant under~~  
5 ~~any such law.~~

6 ~~(g) Provision of sales contract. Whenever an appraisal~~  
7 ~~management company requests an appraiser to perform an~~  
8 ~~appraisal, the appraisal management company must make a~~  
9 ~~reasonable effort to provide in a timely manner to the appraiser~~  
10 ~~a copy of the contract for the underlying transaction, along~~  
11 ~~with legal descriptions and any other documents pertinent to the~~  
12 ~~assignment.~~

13 ~~Section 8. Prohibited activities.~~

14 ~~(a) Improper influence. An employee, key person, compliance~~  
15 ~~person or agent of an appraisal management company shall not~~  
16 ~~improperly influence or attempt to improperly influence the~~  
17 ~~development, reporting, result or review of an appraisal,~~  
18 ~~including, without limitation, through the use of intimidation,~~  
19 ~~coercion, extortion, bribery, blackmail, threat of nonpayment or~~  
20 ~~withholding payment for an appraisal or threat of exclusion from~~  
21 ~~future appraisal work.~~

22 ~~(b) Other prohibitions. A registrant or exempt company~~  
23 ~~shall not:~~

24 ~~(1) Hire, employ or in any way contract with or pay a~~  
25 ~~person who is not an appraiser and who holds a license under~~  
26 ~~the RELRA to perform a valuation of real estate unless it is~~  
27 ~~a comparative market analysis as defined in section 201 of~~  
28 ~~the RELRA.~~

29 ~~(2) Require an appraiser to provide the registrant or~~  
30 ~~exempt company with the appraiser's digital signature or~~

1     ~~seal.~~

2           ~~(3) Alter, amend or change an appraisal submitted by an~~  
3 ~~appraiser, including, without limitation, by:~~

4           ~~(i) removing the appraiser's signature or seal; or~~

5           ~~(ii) adding or removing information to or from the~~  
6 ~~appraisal.~~

7           ~~(4) Remove an appraiser from an appraiser panel without~~  
8 ~~prior written notice to the appraiser. The notice must~~  
9 ~~include evidence of:~~

10           ~~(i) illegal conduct by the appraiser;~~

11           ~~(ii) a violation of the minimum reporting standards~~  
12 ~~under the REACA or other applicable statute or~~  
13 ~~regulation;~~

14           ~~(iii) substandard performance; or~~

15           ~~(iv) otherwise improper or unprofessional behavior.~~

16           ~~(5) Enter into a contract or agreement with an appraiser~~  
17 ~~for the performance of appraisals unless the appraiser is~~  
18 ~~certified and in good standing with the board.~~

19           ~~(6) Request that an appraiser provide:~~

20           ~~(i) an estimated, predetermined or desired valuation~~  
21 ~~in an appraisal; or~~

22           ~~(ii) estimated values or comparable sales at any~~  
23 ~~time before the appraiser completes an appraisal.~~

24           ~~(7) Except as provided in section 7(g), provide to an~~  
25 ~~appraiser an anticipated, estimated, encouraged or desired~~  
26 ~~value for a property or a proposed or target amount to be~~  
27 ~~loaned to the borrower.~~

28           ~~(8) Commit an act or practice that impairs or attempts~~  
29 ~~to impair an appraiser's independence, objectivity or~~  
30 ~~impartiality or solicit an appraiser to violate this act or~~

1 ~~the RELRA.~~

2 ~~(9) Prohibit an appraiser from recording the fee the~~  
3 ~~appraiser was paid for the performance of an appraisal in the~~  
4 ~~appraisal report.~~

5 ~~(c) Construction. Subsection (a) does not prohibit an~~  
6 ~~appraisal management company from requesting that an appraiser:~~

7 ~~(1) Provide additional information about the basis for a~~  
8 ~~valuation.~~

9 ~~(2) Correct objective factual errors in an appraisal.~~

10 ~~(3) Provide further detail, substantiation or~~  
11 ~~explanation for the appraiser's value conclusion, including,~~  
12 ~~without limitation, the applicability of additional~~  
13 ~~comparables as presented.~~

14 ~~(d) Owners and employees.~~

15 ~~(1) Except as provided in paragraph (2), a person that~~  
16 ~~has been denied registration under this act or a similar law~~  
17 ~~of another jurisdiction or that would be disqualified from~~  
18 ~~eligibility to be certified or licensed under the REACA may~~  
19 ~~not be:~~

20 ~~(i) a key person or compliance person; or~~

21 ~~(ii) directly involved in the provision of appraisal~~  
22 ~~services by an appraisal management company as an~~  
23 ~~employee or in any other capacity.~~

24 ~~(2) Paragraph (1) shall cease to apply at such time as a~~  
25 ~~person is subsequently registered under this act or becomes~~  
26 ~~eligible to be certified or licensed under the REACA.~~

27 ~~Section 9. Registry of applicants and roster.~~

28 ~~(a) Registry. The board shall keep a register of all~~  
29 ~~applicants for registration showing:~~

30 ~~(1) The date of application.~~

1           ~~(2) The applicant's name.~~

2           ~~(3) The applicant's business street address.~~

3           ~~(4) Whether the registration was granted or denied.~~

4           ~~(b) Roster. The board shall keep a current roster showing~~  
5 ~~for each registrant registered at any time with the board:~~

6           ~~(1) Its last known name and street address.~~

7           ~~(2) A unique identification number.~~

8           ~~(c) Effect and availability of records. The register and~~  
9 ~~roster shall be prima facie evidence of all matters contained~~  
10 ~~therein. The register and roster shall be kept on file in the~~  
11 ~~office of the board and shall be open for public inspection. The~~  
12 ~~board shall also post the roster on its Internet website.~~

13 ~~Section 10. Disciplinary and corrective measures.~~

14           ~~(a) Authority of board. The board may impose disciplinary~~  
15 ~~or corrective action as set forth in subsection (b) upon an~~  
16 ~~applicant, registrant, exempt company, person acting as an~~  
17 ~~appraisal management company, person holding out as an appraisal~~  
18 ~~management company or person advertising or holding out as~~  
19 ~~engaging in or conducting the business of an appraisal~~  
20 ~~management company, for any of the following causes:-~~

21           ~~(1) The appraisal management company's application for~~  
22 ~~registration or renewal of registration when filed contained~~  
23 ~~a statement that in light of the circumstances under which it~~  
24 ~~was made is false or misleading with respect to a material~~  
25 ~~fact.~~

26           ~~(2) The applicant, registrant, exempt company, its~~  
27 ~~compliance person or key person, has violated or failed to~~  
28 ~~comply with:~~

29           ~~(i) This act, or the regulations or guidelines~~  
30 ~~promulgated by the board for the administration and~~

1 ~~enforcement of this act.~~

2 ~~(ii) The REACA or the regulations or guidelines~~  
3 ~~promulgated by the board for the administration and~~  
4 ~~enforcement of the REACA.~~

5 ~~(3) The State Real Estate Commission has found the~~  
6 ~~applicant, registrant, exempt company, compliance person or~~  
7 ~~key person in violation of RELRA or the regulations to~~  
8 ~~administer and effectuate the purposes of the RELRA.~~

9 ~~(4) The Department of Banking or a court of competent~~  
10 ~~jurisdiction has found the applicant, registrant, exempt~~  
11 ~~company, compliance person or key person in violation of the~~  
12 ~~provisions of 7 Pa.C.S. Ch.61 (relating to mortgage loan~~  
13 ~~industry licensing and consumer protection) or the Mortgage~~  
14 ~~Bankers and Brokers and Consumer Equity Protection Act.~~

15 ~~(5) The applicant, registrant, exempt company,~~  
16 ~~compliance person or key person has been convicted of:~~

17 ~~(i) A felony.~~

18 ~~(ii) Within the past ten years, a misdemeanor~~  
19 ~~involving mortgage lending or real estate appraising,~~  
20 ~~breach of trust, moral turpitude or fraudulent or~~  
21 ~~dishonest dealing.~~

22 ~~(6) The applicant, registrant, exempt company,~~  
23 ~~compliance person or key person is permanently or temporarily~~  
24 ~~enjoined by a court of competent jurisdiction from engaging~~  
25 ~~in or continuing any conduct or practice involving appraisal~~  
26 ~~management services or operating an appraisal management~~  
27 ~~company.~~

28 ~~(7) The applicant, registrant, exempt company,~~  
29 ~~compliance person or key person is the subject of an order of~~  
30 ~~the board or any other state appraisal management company~~

1 ~~regulatory agency denying, suspending or revoking the~~  
2 ~~person's privilege to operate as an appraisal management~~  
3 ~~company, or other disciplinary actions by an agency of~~  
4 ~~another jurisdiction responsible for regulating appraisers,~~  
5 ~~mortgage brokers, real estate salespersons or real estate~~  
6 ~~brokers.~~

7 ~~(8) The person was not an exempt company or registrant~~  
8 ~~and:~~

9 ~~(i) Acted as an appraisal management company.~~

10 ~~(ii) Held out as an appraisal management company~~  
11 ~~within this Commonwealth.~~

12 ~~(iii) Advertised or held out as engaging in or~~  
13 ~~conducting the business of an appraisal management~~  
14 ~~company~~

15 ~~(b) Board action. When the board finds any of the causes~~  
16 ~~listed in subsection (a) supported by substantial evidence the~~  
17 ~~board may:~~

18 ~~(1) Deny, suspend, revoke or refuse to issue or renew~~  
19 ~~the registration of an appraisal management company under~~  
20 ~~this act.~~

21 ~~(2) Restrict, reprimand, limit or suspend enforcement of~~  
22 ~~its findings and place the appraisal management company on~~  
23 ~~probation with the right to vacate the probation for~~  
24 ~~noncompliance.~~

25 ~~(3) In lieu of imposing a sanction authorized by~~  
26 ~~paragraph (1), the board may order the removal, replacement~~  
27 ~~or restriction of a compliance person or a key person found~~  
28 ~~to have committed any of the violations of subsection (a) as~~  
29 ~~a condition of approving, renewing or retaining an~~  
30 ~~applicant's or registrant's registration.~~



1           ~~(4) In lieu of imposing a sanction authorized by~~  
2 ~~paragraph (1), the board may order a person found to have~~  
3 ~~committed any of the violations of subsection (a) and that~~  
4 ~~owns an interest in or participates in the business of an~~  
5 ~~appraisal management company to divest partially or wholly of~~  
6 ~~such interest or participation as a condition of granting,~~  
7 ~~renewing or retaining an applicant's or registrant's~~  
8 ~~registration.~~

9           ~~(5) Levy a civil penalty or costs of investigation under~~  
10 ~~subsection (d) or the act of July 2, 1993, (P.L.345, No.48),~~  
11 ~~entitled "An act empowering the General Counsel or his~~  
12 ~~designee to issue subpoenas for certain licensing board~~  
13 ~~activities; providing for hearing examiners in the Bureau of~~  
14 ~~Professional and Occupational Affairs; providing additional~~  
15 ~~powers to the Commissioner of Professional and Occupational~~  
16 ~~Affairs; and further providing for civil penalties and~~  
17 ~~license suspension."~~

18           ~~(6) Require bond or other security in addition to the~~  
19 ~~requirements of section 6 (b) and regulations of the board~~  
20 ~~promulgated pursuant to that subsection.~~

21           ~~(c) Criminal penalties. A person that violates this act~~  
22 ~~commits a misdemeanor of the third degree and shall, upon~~  
23 ~~conviction, be sentenced to pay a fine of up to \$1,000 or to~~  
24 ~~imprisonment for not more than 90 days, or both.~~

25           ~~(d) Civil penalty. In addition to any other civil remedy or~~  
26 ~~criminal penalty provided for in this act, the board may levy a~~  
27 ~~civil penalty of up to \$10,000 on any person that violates any~~  
28 ~~provision of this act or any person that acts as an appraisal~~  
29 ~~management company, holds out as an appraisal management company~~  
30 ~~in this Commonwealth or advertises or holds out as engaging in~~

1 ~~or conducting the business of an appraisal management company at~~  
2 ~~a time when the person is not an exempt company or registered~~  
3 ~~under this act. The board shall levy this penalty only after~~  
4 ~~affording the accused party the opportunity for a hearing, as~~  
5 ~~provided in 2 Pa.C.S. (relating to administrative law and~~  
6 ~~procedure). All civil penalties imposed in accordance with this~~  
7 ~~section shall be paid into the Professional Licensure~~  
8 ~~Augmentation Account.~~

9 ~~(e) Procedures. The investigation and prosecution of~~  
10 ~~disciplinary proceedings under this section shall be conducted~~  
11 ~~by the board under the provisions of the REACA.~~

12 ~~Section 11. Effective date.~~

13 ~~This act shall take effect in 60 days.~~

14 SECTION 1. SHORT TITLE.

15 THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE APPRAISAL  
16 MANAGEMENT COMPANY REGISTRATION ACT.

17 SECTION 2. DEFINITIONS.

18 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL  
19 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
20 CONTEXT CLEARLY INDICATES OTHERWISE:

21 "APPLICANT." A PERSON WHO FILES AN APPLICATION FOR  
22 REGISTRATION AS AN APPRAISAL MANAGEMENT COMPANY.

23 "APPRAISAL." THE TERM HAS THE MEANING PROVIDED IN SECTION 2  
24 OF THE ACT OF JULY 10, 1990 (P.L.404, NO.98), KNOWN AS THE REAL  
25 ESTATE APPRAISERS CERTIFICATION ACT.

26 "APPRAISAL MANAGEMENT COMPANY." A PERSON THAT PROVIDES  
27 APPRAISAL MANAGEMENT SERVICES AND ACTS AS A THIRD-PARTY  
28 INTERMEDIARY BETWEEN A PERSON SEEKING A VALUATION OF REAL ESTATE  
29 LOCATED IN THIS COMMONWEALTH AND AN APPRAISER OR FIRM OF  
30 APPRAISERS.



1 "APPRAISAL MANAGEMENT SERVICES." CONDUCTING BUSINESS BY  
2 TELEPHONE, BY ELECTRONIC MEANS, BY MAIL OR IN PERSON DIRECTLY OR  
3 INDIRECTLY FOR COMPENSATION OR IN THE EXPECTATION OF  
4 COMPENSATION TO MANAGE THE PERFORMANCE OF APPRAISALS FOR A  
5 CLIENT, INCLUDING, WITHOUT LIMITATION:

6 (1) RECRUITING APPRAISERS.

7 (2) CONTRACTING WITH APPRAISERS TO PERFORM APPRAISALS.

8 (3) NEGOTIATING FEES WITH APPRAISERS.

9 (4) RECEIVING APPRAISAL ORDERS AND APPRAISALS.

10 (5) SUBMITTING APPRAISALS RECEIVED FROM APPRAISERS TO  
11 THE CLIENT.

12 (6) PROVIDING RELATED ADMINISTRATIVE AND CLERICAL  
13 DUTIES.

14 "APPRAISAL REVIEW." AN APPRAISAL REVIEW AS DEFINED BY THE  
15 UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE ISSUED BY  
16 THE APPRAISAL STANDARDS BOARD.

17 "APPRAISER." AN INDIVIDUAL CERTIFIED UNDER THE ACT OF JULY  
18 10, 1990 (P.L.404, NO.98), KNOWN AS THE REAL ESTATE APPRAISERS  
19 CERTIFICATION ACT, AS A CERTIFIED RESIDENTIAL APPRAISER OR  
20 CERTIFIED GENERAL APPRAISER.

21 "APPRAISER PANEL." A GROUP OF APPRAISERS THAT HAVE BEEN  
22 SELECTED BY AN APPRAISAL MANAGEMENT COMPANY TO PERFORM  
23 APPRAISALS FOR THE APPRAISAL MANAGEMENT COMPANY.

24 "BOARD." THE STATE BOARD OF CERTIFIED REAL ESTATE APPRAISERS  
25 WITHIN THE BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS IN  
26 THE DEPARTMENT OF STATE.

27 "CLIENT." A PERSON THAT CONTRACTS WITH OR OTHERWISE ENTERS  
28 INTO AN AGREEMENT WITH AN APPRAISAL MANAGEMENT COMPANY FOR THE  
29 PERFORMANCE OF APPRAISAL MANAGEMENT SERVICES.

30 "COMPLIANCE PERSON." AN INDIVIDUAL WHO IS EMPLOYED,

1 APPOINTED OR AUTHORIZED BY AN APPRAISAL MANAGEMENT COMPANY TO BE  
2 RESPONSIBLE FOR ENSURING COMPLIANCE WITH THIS ACT.

3 "EXEMPT COMPANY." A PERSON THAT IS EXEMPTED FROM REGISTERING  
4 UNDER THIS ACT UNDER SECTION 1124 OF THE FINANCIAL INSTITUTIONS  
5 REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989 (PUBLIC LAW  
6 101-73, 103 STAT. 183).

7 "KEY PERSON." A PERSON OTHER THAN A COMPLIANCE PERSON WHO IS  
8 A DIRECTOR, OFFICER, SUPERVISOR, MANAGER OR OTHER PERSON  
9 PERFORMING A SIMILAR FUNCTION IN AN APPRAISAL MANAGEMENT  
10 COMPANY.

11 "MORTGAGE BANKERS AND BROKERS AND CONSUMER EQUITY PROTECTION  
12 ACT." THE ACT OF DECEMBER 22, 1989 (P.L.687, NO. 90), KNOWN AS  
13 THE MORTGAGE BANKERS AND BROKERS AND CONSUMER EQUITY PROTECTION  
14 ACT.

15 "REACA." THE ACT OF JULY 10, 1990 (P.L.404, NO.98), KNOWN AS  
16 THE REAL ESTATE APPRAISERS CERTIFICATION ACT.

17 "REGISTRANT." AN APPRAISAL MANAGEMENT COMPANY THAT IS  
18 REGISTERED UNDER THIS ACT.

19 "RELRA." THE ACT OF FEBRUARY 19, 1980 (P.L.15, NO.9), KNOWN  
20 AS THE REAL ESTATE LICENSING AND REGISTRATION ACT.

21 SECTION 3. REGISTRATION OF APPRAISAL MANAGEMENT COMPANIES  
22 REQUIRED.

23 EXCEPT AS PROVIDED IN SECTION 11, A PERSON WHO IS NOT AN  
24 EXEMPT COMPANY OR A REGISTRANT MAY NOT:

25 (1) ACT AS AN APPRAISAL MANAGEMENT COMPANY IN THIS  
26 COMMONWEALTH.

27 (2) HOLD OUT AS AN APPRAISAL MANAGEMENT COMPANY IN THIS  
28 COMMONWEALTH.

29 (3) ADVERTISE OR HOLD OUT AS ENGAGING IN OR CONDUCTING  
30 THE BUSINESS OF AN APPRAISAL MANAGEMENT COMPANY IN THIS

1 COMMONWEALTH.

2 SECTION 4. POWERS OF THE BOARD.

3 (A) REGULATIONS.--THE BOARD SHALL HAVE THE POWERS NECESSARY  
4 TO IMPLEMENT, ADMINISTER AND ENFORCE THIS ACT, INCLUDING THE  
5 POWER TO ADOPT RULES AND REGULATIONS CONSISTENT WITH THIS ACT.

6 (B) TEMPORARY REGULATIONS.--IN ORDER TO FACILITATE THE  
7 PROMPT IMPLEMENTATION OF THIS ACT, REGULATIONS PROMULGATED BY  
8 THE BOARD SHALL BE DEEMED TEMPORARY REGULATIONS WHICH SHALL  
9 EXPIRE NO LATER THAN THREE YEARS FOLLOWING THE EFFECTIVE DATE OF  
10 THIS SECTION. THE BOARD MAY PROMULGATE TEMPORARY REGULATIONS  
11 WHICH SHALL NOT BE SUBJECT TO:

12 (1) SECTIONS 201, 202 AND 203 OF THE ACT OF JULY 31,  
13 1968 (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH  
14 DOCUMENTS LAW.

15 (2) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS  
16 THE REGULATORY REVIEW ACT.

17 (C) EXPIRATION.--THE AUTHORITY PROVIDED TO THE BOARD TO  
18 ADOPT TEMPORARY REGULATIONS UNDER SUBSECTION (B) SHALL EXPIRE  
19 THREE YEARS FROM THE EFFECTIVE DATE OF THIS SECTION. REGULATIONS  
20 ADOPTED AFTER THAT DATE SHALL BE PROMULGATED AS PROVIDED BY LAW.  
21 SECTION 5. REQUIREMENTS FOR REGISTRATION.

22 (A) APPLICATION.--BEFORE ACTING OR OFFERING TO ACT AS AN  
23 APPRAISAL MANAGEMENT COMPANY IN THIS COMMONWEALTH, A PERSON THAT  
24 IS NOT AN EXEMPT COMPANY SHALL MAKE WRITTEN APPLICATION TO THE  
25 BOARD FOR REGISTRATION ACCOMPANIED BY THE REQUIRED FEE AND BOND  
26 OR LETTER OF CREDIT.

27 (B) REQUIRED INFORMATION.--THE APPLICATION SHALL CONTAIN  
28 SUCH INFORMATION AS THE BOARD SHALL REQUIRE, INCLUDING THE  
29 FOLLOWING INFORMATION:

30 (1) THE NAME, BUSINESS STREET ADDRESS, TELEPHONE NUMBER

1 AND OTHER CONTACT INFORMATION OF THE APPLICANT.

2 (2) IF THE APPLICANT IS NOT AN INDIVIDUAL AND IS  
3 INCORPORATED OR OTHERWISE FORMED UNDER THE LAWS OF A  
4 JURISDICTION OTHER THAN THIS COMMONWEALTH, DOCUMENTATION THAT  
5 THE APPLICANT IS AUTHORIZED TO TRANSACT BUSINESS IN THIS  
6 COMMONWEALTH.

7 (3) THE NAME, STREET ADDRESS, TELEPHONE NUMBER AND OTHER  
8 CONTACT INFORMATION OF ANY PERSON THAT OWNS 10% OR MORE OF  
9 THE APPLICANT.

10 (4) THE NAME, STREET ADDRESS, TELEPHONE NUMBER AND OTHER  
11 CONTACT INFORMATION OF THE APPLICANT'S COMPLIANCE PERSON.

12 (5) A CERTIFICATION THAT THE APPLICANT:

13 (I) HAS A SYSTEM IN PLACE TO VERIFY THAT A PERSON  
14 BEING ADDED TO AN APPRAISER PANEL OF THE APPLICANT OR WHO  
15 WILL OTHERWISE PERFORM APPRAISALS FOR THE APPLICANT OF  
16 PROPERTY LOCATED IN THIS COMMONWEALTH IS A CERTIFIED  
17 APPRAISER AND IN GOOD STANDING IN THIS COMMONWEALTH UNDER  
18 REACA.

19 (II) HAS A SYSTEM IN PLACE FOR THE PERFORMANCE OF  
20 APPRAISAL REVIEWS WITH RESPECT TO THE WORK OF ALL  
21 APPRAISERS THAT ARE PERFORMING APPRAISALS FOR THE  
22 APPLICANT OF PROPERTY LOCATED IN THIS COMMONWEALTH TO  
23 DETERMINE WHETHER THE APPRAISALS ARE BEING CONDUCTED IN  
24 CONFORMANCE WITH THE MINIMUM STANDARDS UNDER REACA BOTH  
25 ON A PERIODIC BASIS AND WHENEVER REQUESTED BY A CLIENT.

26 (III) MAINTAINS A DETAILED RECORD OF EACH REQUEST  
27 FOR AN APPRAISAL THAT IT RECEIVES, THE APPRAISER ASSIGNED  
28 TO PERFORM THE APPRAISAL, THE FEES RECEIVED FROM THE  
29 CLIENT FOR THE APPRAISAL AND THE FEES PAID TO THE  
30 APPRAISER.

1 (6) ANY DISCIPLINE IMPOSED ON THE APPLICANT IN THIS  
2 COMMONWEALTH OR ANY OTHER STATE UNDER ANY LAW REGULATING  
3 APPRAISERS, APPRAISAL MANAGEMENT COMPANIES OR REAL ESTATE  
4 BROKERS OR SALESPERSONS.

5 (7) ANY CRIMINAL CONVICTION OF THE APPLICANT DURING THE  
6 PREVIOUS TEN YEARS IN THIS COMMONWEALTH OR ANY OTHER STATE OR  
7 FEDERAL JURISDICTION.

8 (8) ANY OTHER INFORMATION REQUIRED BY RULES AND  
9 REGULATIONS OF THE BOARD.

10 (C) REQUIREMENTS FOR REGISTRATION.--THE BOARD SHALL REGISTER  
11 AN APPLICANT AS AN APPRAISAL MANAGEMENT COMPANY IN THIS  
12 COMMONWEALTH UPON:

13 (1) RECEIPT OF A PROPERLY COMPLETED APPLICATION.

14 (2) PAYMENT OF THE REQUIRED FEE.

15 (3) POSTING OF THE REQUIRED BOND OR LETTER OF CREDIT.

16 (4) A DETERMINATION BY THE BOARD THAT THE ACTIVITIES OF  
17 THE APPLICANT WILL BE DIRECTED AND CONDUCTED BY PERSONS OF  
18 GOOD MORAL CHARACTER AS DEFINED IN THE RULES AND REGULATIONS  
19 OF THE BOARD.

20 (D) DENIAL OF APPLICATION.--

21 (1) IF THE BOARD FINDS THAT THERE IS REASON TO DENY THE  
22 APPLICATION FOR REGISTRATION, THE BOARD SHALL NOTIFY THE  
23 APPLICANT THAT THE APPLICATION HAS BEEN DENIED AND SHALL  
24 AFFORD THE APPLICANT AN OPPORTUNITY FOR A HEARING BEFORE THE  
25 BOARD TO SHOW CAUSE WHY THE APPLICATION SHOULD NOT BE DENIED.

26 (2) ALL PROCEEDINGS CONCERNING THE DENIAL OF AN  
27 APPLICATION FOR REGISTRATION SHALL BE GOVERNED BY 2 PA.C.S.  
28 (RELATING TO ADMINISTRATIVE LAW AND PROCEDURE).

29 (E) CONSTRUCTION.--THE ACCEPTANCE BY THE BOARD OF AN  
30 APPLICATION FOR REGISTRATION DOES NOT CONSTITUTE THE APPROVAL OF

1 ITS CONTENTS OR WAIVE THE AUTHORITY OF THE BOARD TO TAKE  
2 DISCIPLINARY ACTION UNDER THIS ACT.

3 SECTION 6. FEES AND RENEWALS.

4 (A) FILING FEES.--THE FEE TO FILE AN APPLICATION FOR  
5 REGISTRATION OR RENEWAL OF A REGISTRATION UNDER THIS ACT SHALL  
6 BE \$1,000 OR SUCH OTHER AMOUNTS AS ARE SET BY THE RULES AND  
7 REGULATIONS OF THE BOARD.

8 (B) BOND OR LETTER OF CREDIT.--

9 (1) IN ADDITION TO THE FILING FEE, EACH APPLICANT FOR  
10 REGISTRATION SHALL EITHER COMPLY WITH:

11 (I) PARAGRAPH (2) REGARDING THE POSTING OF A BOND;  
12 OR

13 (II) PARAGRAPH (3) REGARDING THE POSTING OF A LETTER  
14 OF CREDIT.

15 (2) THE REQUIREMENTS FOR POSTING A BOND SHALL BE:

16 (I) THE BOND SHALL BE IN THE AMOUNT OF \$20,000 OR  
17 ANY OTHER AMOUNT AS SET BY THE RULES AND REGULATIONS OF  
18 THE BOARD.

19 (II) THE BOND SHALL BE IN THE FORM PRESCRIBED BY THE  
20 RULES AND REGULATIONS OF THE BOARD.

21 (III) THE BOND SHALL ACCRUE TO THE COMMONWEALTH FOR  
22 THE BENEFIT OF:

23 (A) A CLAIMANT AGAINST THE REGISTRANT TO SECURE  
24 THE FAITHFUL PERFORMANCE OF THE REGISTRANT'S  
25 OBLIGATIONS UNDER THIS ACT; OR

26 (B) AN APPRAISER WHO HAS PERFORMED AN APPRAISAL  
27 FOR THE REGISTRANT FOR WHICH THE APPRAISER HAS NOT  
28 BEEN PAID.

29 (IV) THE AGGREGATE LIABILITY OF THE SURETY SHALL NOT  
30 EXCEED THE PRINCIPAL SUM OF THE BOND.



1 (V) A PARTY HAVING A CLAIM AGAINST THE REGISTRANT  
2 MAY BRING SUIT DIRECTLY ON THE SURETY BOND OR THE BOARD  
3 MAY BRING SUIT ON BEHALF OF THE PARTY HAVING A CLAIM  
4 AGAINST THE REGISTRANT.

5 (VI) THE AMOUNT OF THE BOND SHALL BE RESTORED TO THE  
6 FULL AMOUNT REQUIRED WITHIN 15 DAYS AFTER THE PAYMENT OF  
7 ANY CLAIM ON THE BOND.

8 (3) THE REQUIREMENTS FOR POSTING A LETTER OF CREDIT  
9 SHALL BE:

10 (I) THE LETTER OF CREDIT SHALL BE IN THE AMOUNT OF  
11 \$20,000 OR ANY OTHER AMOUNT AS SET BY THE RULES AND  
12 REGULATIONS OF THE BOARD.

13 (II) THE LETTER OF CREDIT SHALL BE IRREVOCABLE AND  
14 IN A FORM APPROVED BY THE BOARD. THE LETTER OF CREDIT  
15 SHALL BE PAYABLE TO THE BUREAU OF PROFESSIONAL AND  
16 OCCUPATIONAL AFFAIRS IN THE DEPARTMENT OF STATE.

17 (III) THE LETTER OF CREDIT SHALL BE FOR THE USE AND  
18 THE BENEFIT OF:

19 (A) A PERSON SUFFERING DAMAGES FOR FAILURE OF  
20 THE REGISTRANT TO PERFORM ITS OBLIGATIONS UNDER THIS  
21 ACT; OR

22 (B) AN APPRAISER WHO HAS PERFORMED AN APPRAISAL  
23 FOR THE REGISTRANT FOR WHICH THE APPRAISER HAS NOT  
24 BEEN PAID.

25 (IV) A PERSON DESCRIBED UNDER SUBPARAGRAPH (III) MAY  
26 FILE WITH THE BUREAU A COMPLAINT AGAINST THE REGISTRANT  
27 AND REQUEST A DRAW UPON THE REGISTRANT'S LETTER OF  
28 CREDIT. UPON RECEIPT OF A COMPLAINT, THE BUREAU SHALL  
29 NOTIFY THE REGISTRANT AND INVESTIGATE THE COMPLAINT. UPON  
30 DETERMINATION BY THE BUREAU THAT THE REGISTRANT IS LIABLE

1 TO THE COMPLAINANT, THE BUREAU MAY, AFTER PROVIDING  
2 NOTICE TO THE REGISTRANT, DRAW UPON THE IRREVOCABLE  
3 LETTER OF CREDIT TO SATISFY THE COMPLAINT.

4 (V) UPON A DRAW AGAINST A LETTER OF CREDIT, THE  
5 REGISTRANT MUST PROVIDE A NEW LETTER OF CREDIT IN THE  
6 AMOUNT REQUIRED UNDER SUBPARAGRAPH (I).

7 (C) RENEWAL.--

8 (1) REGISTRATIONS UNDER THIS ACT SHALL BE RENEWED ON A  
9 BIENNIAL BASIS FOR PERSONS IN GOOD STANDING.

10 (2) FAILURE TO TIMELY RENEW A REGISTRATION SHALL RESULT  
11 IN A LOSS OF AUTHORITY TO OPERATE UNDER THIS ACT.

12 (3) A REQUEST TO REINSTATE A REGISTRATION SHALL BE  
13 ACCOMPANIED BY PAYMENT OF A PENALTY OF \$50 FOR EACH MONTH OF  
14 DELINQUENCY.

15 (4) THE CONTENTS OF AN APPLICATION FOR RENEWAL SHALL BE  
16 PRESCRIBED BY THE RULES AND REGULATIONS OF THE BOARD.

17 SECTION 7. RESPONSIBILITIES AND DUTIES OF APPRAISAL MANAGEMENT  
18 COMPANIES.

19 (A) CONDUCT OF REVIEWS.--ALL APPRAISAL REVIEWS IN THIS  
20 COMMONWEALTH MUST BE CONDUCTED FOR AN APPRAISAL MANAGEMENT  
21 COMPANY BY:

22 (1) A CERTIFIED APPRAISER IN GOOD STANDING IN THIS  
23 COMMONWEALTH; OR

24 (2) A CERTIFIED OR LICENSED APPRAISER IN GOOD STANDING  
25 IN ANOTHER STATE.

26 (B) RECORDS.--

27 (1) AN APPRAISAL MANAGEMENT COMPANY SHALL MAINTAIN OR  
28 CAUSE TO BE MAINTAINED:

29 (I) IN THE CASE OF A REGISTRANT, COMPLETE RECORDS OF  
30 ITS COMPLIANCE WITH THE CERTIFICATIONS REQUIRED UNDER

1 SECTION 5 (B) (5) ; AND

2 (II) IN THE CASE OF REGISTRANTS AND EXEMPT  
3 COMPANIES, SUCH ACCOUNTS, CORRESPONDENCE, MEMORANDA,  
4 PAPERS, BOOKS AND OTHER RECORDS AS SHALL BE REQUIRED BY  
5 THE RULES AND REGULATIONS OF THE BOARD.

6 (2) THE RECORDS MUST BE RETAINED FOR:

7 (I) FIVE YEARS AFTER THEIR PREPARATION;

8 (II) TWO YEARS AFTER FINAL DISPOSITION OF ANY  
9 JUDICIAL PROCEEDING THAT INVOLVES THE ACTIONS OF THE  
10 APPRAISAL MANAGEMENT COMPANY THAT ARE THE SUBJECT OF THE  
11 RECORDS; OR

12 (III) SUCH OTHER PERIOD AS SHALL BE REQUIRED BY THE  
13 RULES AND REGULATIONS OF THE BOARD WITH RESPECT TO A  
14 PARTICULAR CLASS OR TYPE OF RECORDS.

15 (3) THE BOARD MAY INSPECT THE RECORDS REQUIRED UNDER  
16 PARAGRAPH (1) AT ANY TIME.

17 (C) COMPLIANCE PERSON.--

18 (1) AN APPRAISAL MANAGEMENT COMPANY SHALL AT ALL TIMES  
19 HAVE A COMPLIANCE PERSON.

20 (2) A REGISTRANT SHALL FILE A CERTIFICATION WITH THE  
21 BOARD IN A FORM APPROVED BY THE BOARD CERTIFYING:

22 (I) THE IDENTITY OF ITS COMPLIANCE PERSON.

23 (II) THE INDIVIDUAL'S ACCEPTANCE OF THE  
24 RESPONSIBILITIES OF A COMPLIANCE PERSON.

25 (3) A REGISTRANT SHALL NOTIFY THE BOARD WITHIN 30 DAYS  
26 OF A CHANGE IN ITS COMPLIANCE PERSON.

27 (4) AN INDIVIDUAL REGISTRANT WHO OPERATES AS A SOLE  
28 PROPRIETORSHIP IS CONSIDERED THE COMPLIANCE PERSON UNDER THIS  
29 ACT.

30 (D) UPDATING OF BOARD RECORDS.--IF THE INFORMATION CONTAINED

1 IN A DOCUMENT FILED WITH THE BOARD IS OR BECOMES INACCURATE OR  
2 INCOMPLETE IN ANY MATERIAL RESPECT, THE REGISTRANT SHALL  
3 PROMPTLY FILE AN AMENDMENT CORRECTING THE INFORMATION CONTAINED  
4 IN THE DOCUMENT.

5 (E) DISCLOSURE.--AN APPRAISAL MANAGEMENT COMPANY SHALL  
6 DISCLOSE TO ITS LENDER THE FEES PAID FOR AN APPRAISAL SEPARATELY  
7 FROM ANY OTHER FEES OR CHARGES FOR APPRAISAL MANAGEMENT  
8 SERVICES.

9 (F) NOTICE OF DISCIPLINE.--A REGISTRANT MUST NOTIFY THE  
10 BOARD IN WRITING WITHIN 30 DAYS AFTER ITS OCCURRENCE OF ANY  
11 DENIAL, REVOCATION OR SUSPENSION OF ITS DESIGNATION,  
12 REGISTRATION, CERTIFICATE OR LICENSE UNDER ANY LAW OF ANY  
13 JURISDICTION OTHER THAN THIS COMMONWEALTH REGULATING APPRAISAL  
14 MANAGEMENT COMPANIES, THE IMPOSITION OF ANY OTHER FORM OF  
15 DISCIPLINE UNDER ANY SUCH LAW, OR THE COMMENCEMENT OF A  
16 DISCIPLINARY OR ENFORCEMENT ACTION AGAINST THE REGISTRANT UNDER  
17 ANY SUCH LAW.

18 (G) PROVISION OF SALES CONTRACT.--WHENEVER AN APPRAISAL  
19 MANAGEMENT COMPANY REQUESTS AN APPRAISER TO PERFORM AN  
20 APPRAISAL, THE APPRAISAL MANAGEMENT COMPANY MUST MAKE A  
21 REASONABLE EFFORT TO PROVIDE IN A TIMELY MANNER TO THE APPRAISER  
22 A COPY OF THE CONTRACT FOR THE SALE OF THE PROPERTY, IF  
23 AVAILABLE, ALONG WITH LEGAL DESCRIPTIONS AND ANY OTHER DOCUMENTS  
24 PERTINENT TO THE ASSIGNMENT.

25 SECTION 8. PROHIBITED ACTIVITIES.

26 (A) IMPROPER INFLUENCE.--AN EMPLOYEE, KEY PERSON, COMPLIANCE  
27 PERSON OR AGENT OF AN APPRAISAL MANAGEMENT COMPANY SHALL NOT  
28 IMPROPERLY INFLUENCE OR ATTEMPT TO IMPROPERLY INFLUENCE THE  
29 DEVELOPMENT, REPORTING, RESULT OR REVIEW OF AN APPRAISAL,  
30 INCLUDING, WITHOUT LIMITATION, THROUGH THE USE OF INTIMIDATION,

1 COERCION, EXTORTION, BRIBERY, BLACKMAIL, THREAT OF NONPAYMENT OR  
2 WITHHOLDING PAYMENT FOR AN APPRAISAL OR THREAT OF EXCLUSION FROM  
3 FUTURE APPRAISAL WORK.

4 (B) OTHER PROHIBITIONS.--A REGISTRANT OR EXEMPT COMPANY  
5 SHALL NOT:

6 (1) HIRE, EMPLOY OR IN ANY WAY CONTRACT WITH OR PAY A  
7 PERSON WHO IS NOT AN APPRAISER AND WHO HOLDS A LICENSE UNDER  
8 THE RELRA TO PERFORM A VALUATION OF REAL ESTATE UNLESS IT IS  
9 A COMPARATIVE MARKET ANALYSIS AS DEFINED IN SECTION 201 OF  
10 THE RELRA.

11 (2) REQUIRE AN APPRAISER TO PROVIDE THE REGISTRANT OR  
12 EXEMPT COMPANY WITH THE APPRAISER'S DIGITAL SIGNATURE OR  
13 SEAL.

14 (3) ALTER, AMEND OR CHANGE AN APPRAISAL SUBMITTED BY AN  
15 APPRAISER, INCLUDING, WITHOUT LIMITATION, BY:

16 (I) REMOVING THE APPRAISER'S SIGNATURE OR SEAL; OR

17 (II) ADDING OR REMOVING INFORMATION TO OR FROM THE  
18 APPRAISAL.

19 (4) REMOVE AN APPRAISER FROM AN APPRAISER PANEL WITHOUT  
20 PRIOR WRITTEN NOTICE TO THE APPRAISER. THE NOTICE MUST  
21 INCLUDE EVIDENCE OF:

22 (I) ILLEGAL OR UNLAWFUL CONDUCT BY THE APPRAISER;

23 (II) A VIOLATION OF THE MINIMUM REPORTING STANDARDS  
24 UNDER THE REACA OR OTHER APPLICABLE STATUTE OR  
25 REGULATION;

26 (III) FAILURE TO SATISFY MINIMUM STANDARDS REQUIRED  
27 BY THE APPRAISAL MANAGEMENT COMPANY OR ANY CONTRACT  
28 BETWEEN THE APPRAISER AND THE APPRAISAL MANAGEMENT  
29 COMPANY;

30 (IV) OTHERWISE IMPROPER OR UNPROFESSIONAL BEHAVIOR;

1 OR

2 (V) A LEGITIMATE BUSINESS REASON FOR THE REMOVAL  
3 THAT IS NOT RELATED TO THE APPRAISER'S PERFORMANCE.

4 (5) ENTER INTO A CONTRACT OR AGREEMENT WITH AN APPRAISER  
5 FOR THE PERFORMANCE OF APPRAISALS UNLESS THE APPRAISER IS  
6 CERTIFIED AND IN GOOD STANDING WITH THE BOARD.

7 (6) REQUEST THAT AN APPRAISER PROVIDE:

8 (I) AN ESTIMATED, PREDETERMINED OR DESIRED VALUATION  
9 IN AN APPRAISAL; OR

10 (II) ESTIMATED VALUES OR COMPARABLE SALES AT ANY  
11 TIME BEFORE THE APPRAISER COMPLETES AN APPRAISAL.

12 (7) EXCEPT AS PROVIDED IN SECTION 7(G), PROVIDE TO AN  
13 APPRAISER:

14 (I) AN ANTICIPATED, ESTIMATED, ENCOURAGED OR DESIRED  
15 VALUE FOR A PROPERTY; OR

16 (II) A PROPOSED OR TARGET AMOUNT TO BE LOANED TO THE  
17 BORROWER.

18 (8) COMMIT AN ACT OR PRACTICE THAT IMPAIRS OR ATTEMPTS  
19 TO IMPAIR AN APPRAISER'S INDEPENDENCE, OBJECTIVITY OR  
20 IMPARTIALITY OR SOLICIT AN APPRAISER TO VIOLATE THIS ACT OR  
21 THE RELRA OR REACA.

22 (9) PROHIBIT AN APPRAISER FROM RECORDING THE FEE THE  
23 APPRAISER WAS PAID FOR THE PERFORMANCE OF AN APPRAISAL IN THE  
24 APPRAISAL REPORT.

25 (C) CONSTRUCTION.--SUBSECTION (A) DOES NOT PROHIBIT AN  
26 APPRAISAL MANAGEMENT COMPANY FROM REQUESTING THAT AN APPRAISER:

27 (1) CORRECT OBJECTIVE FACTUAL ERRORS IN AN APPRAISAL.

28 (2) PROVIDE ADDITIONAL DETAIL, SUBSTANTIATION OR  
29 EXPLANATION FOR THE APPRAISER'S VALUE CONCLUSION, INCLUDING,  
30 WITHOUT LIMITATION, THE APPLICABILITY OF ADDITIONAL

1 COMPARABLES AS PRESENTED.

2 (D) OWNERS AND EMPLOYEES.--

3 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), A PERSON THAT  
4 HAS BEEN DENIED REGISTRATION UNDER THIS ACT OR A SIMILAR LAW  
5 OF ANOTHER JURISDICTION OR THAT WOULD BE DISQUALIFIED FROM  
6 ELIGIBILITY TO BE CERTIFIED OR LICENSED UNDER THE REACA MAY  
7 NOT BE:

8 (I) A KEY PERSON OR COMPLIANCE PERSON; OR

9 (II) DIRECTLY INVOLVED IN THE PROVISION OF APPRAISAL  
10 SERVICES BY AN APPRAISAL MANAGEMENT COMPANY AS AN  
11 EMPLOYEE OR IN ANY OTHER CAPACITY.

12 (2) PARAGRAPH (1) SHALL CEASE TO APPLY AT SUCH TIME AS A  
13 PERSON IS SUBSEQUENTLY REGISTERED UNDER THIS ACT OR BECOMES  
14 ELIGIBLE TO BE CERTIFIED OR LICENSED UNDER THE REACA.

15 SECTION 9. REGISTRY OF APPLICANTS AND ROSTER.

16 (A) REGISTRY.--THE BOARD SHALL KEEP A REGISTER OF ALL  
17 APPLICANTS FOR REGISTRATION SHOWING:

18 (1) THE DATE OF APPLICATION.

19 (2) THE APPLICANT'S NAME.

20 (3) THE APPLICANT'S BUSINESS STREET ADDRESS.

21 (4) WHETHER THE REGISTRATION WAS GRANTED OR DENIED.

22 (B) ROSTER.--THE BOARD SHALL KEEP A CURRENT ROSTER SHOWING  
23 FOR EACH REGISTRANT REGISTERED AT ANY TIME WITH THE BOARD:

24 (1) ITS LAST KNOWN NAME AND STREET ADDRESS.

25 (2) AN IDENTIFICATION NUMBER.

26 (C) AVAILABILITY OF RECORDS.--THE REGISTER AND ROSTER SHALL  
27 BE KEPT ON FILE IN THE OFFICE OF THE BOARD AND SHALL BE OPEN FOR  
28 PUBLIC INSPECTION. THE BOARD SHALL ALSO POST THE ROSTER ON ITS  
29 INTERNET WEBSITE.

30 SECTION 10. DISCIPLINARY MEASURES.

1 (A) AUTHORITY OF BOARD.--THE BOARD MAY IMPOSE DISCIPLINARY  
2 ACTION AS SET FORTH IN SUBSECTION (B) UPON AN APPLICANT,  
3 REGISTRANT, EXEMPT COMPANY, PERSON ACTING AS AN APPRAISAL  
4 MANAGEMENT COMPANY, PERSON HOLDING OUT AS AN APPRAISAL  
5 MANAGEMENT COMPANY OR PERSON ADVERTISING OR HOLDING OUT AS  
6 ENGAGING IN OR CONDUCTING THE BUSINESS OF AN APPRAISAL  
7 MANAGEMENT COMPANY, FOR ANY OF THE FOLLOWING CAUSES:

8 (1) THE APPRAISAL MANAGEMENT COMPANY'S APPLICATION FOR  
9 REGISTRATION OR RENEWAL OF REGISTRATION WHEN FILED CONTAINED  
10 A STATEMENT THAT IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT  
11 WAS MADE IS FALSE OR MISLEADING WITH RESPECT TO A MATERIAL  
12 FACT.

13 (2) THE APPLICANT, REGISTRANT, EXEMPT COMPANY, ITS  
14 COMPLIANCE PERSON OR KEY PERSON, HAS VIOLATED OR FAILED TO  
15 COMPLY WITH:

16 (I) THIS ACT, OR THE REGULATIONS OR GUIDELINES  
17 PROMULGATED BY THE BOARD FOR THE ADMINISTRATION AND  
18 ENFORCEMENT OF THIS ACT.

19 (II) THE REACA OR THE REGULATIONS OR GUIDELINES  
20 PROMULGATED BY THE BOARD FOR THE ADMINISTRATION AND  
21 ENFORCEMENT OF THE REACA.

22 (3) THE STATE REAL ESTATE COMMISSION HAS FOUND THE  
23 APPLICANT, REGISTRANT, EXEMPT COMPANY, COMPLIANCE PERSON OR  
24 KEY PERSON IN VIOLATION OF RELRA OR THE REGULATIONS TO  
25 ADMINISTER AND EFFECTUATE THE PURPOSES OF THE RELRA.

26 (4) THE DEPARTMENT OF BANKING OR A COURT OF COMPETENT  
27 JURISDICTION HAS FOUND THE APPLICANT, REGISTRANT, EXEMPT  
28 COMPANY, COMPLIANCE PERSON OR KEY PERSON IN VIOLATION OF THE  
29 PROVISIONS OF 7 PA.C.S. CH.61 (RELATING TO MORTGAGE LOAN  
30 INDUSTRY LICENSING AND CONSUMER PROTECTION) OR THE MORTGAGE



1 BANKERS AND BROKERS AND CONSUMER EQUITY PROTECTION ACT.

2 (5) THE APPLICANT, REGISTRANT, EXEMPT COMPANY,  
3 COMPLIANCE PERSON OR KEY PERSON HAS BEEN CONVICTED OF:

4 (I) A FELONY.

5 (II) WITHIN THE PAST TEN YEARS, A MISDEMEANOR  
6 INVOLVING MORTGAGE LENDING OR REAL ESTATE APPRAISING,  
7 BREACH OF TRUST, MORAL TURPITUDE OR FRAUDULENT OR  
8 DISHONEST DEALING.

9 (6) THE APPLICANT, REGISTRANT, EXEMPT COMPANY,  
10 COMPLIANCE PERSON OR KEY PERSON IS PERMANENTLY OR TEMPORARILY  
11 ENJOINED BY A COURT OF COMPETENT JURISDICTION FROM ENGAGING  
12 IN OR CONTINUING ANY CONDUCT OR PRACTICE INVOLVING APPRAISAL  
13 MANAGEMENT SERVICES OR OPERATING AN APPRAISAL MANAGEMENT  
14 COMPANY.

15 (7) THE APPLICANT, REGISTRANT, EXEMPT COMPANY,  
16 COMPLIANCE PERSON OR KEY PERSON IS THE SUBJECT OF AN ORDER OF  
17 THE BOARD OR ANY OTHER STATE APPRAISAL MANAGEMENT COMPANY  
18 REGULATORY AGENCY DENYING, SUSPENDING OR REVOKING THE  
19 PERSON'S PRIVILEGE TO OPERATE AS AN APPRAISAL MANAGEMENT  
20 COMPANY, OR OTHER DISCIPLINARY ACTIONS BY AN AGENCY OF  
21 ANOTHER JURISDICTION RESPONSIBLE FOR REGULATING APPRAISERS,  
22 MORTGAGE BROKERS, REAL ESTATE SALESPERSONS OR REAL ESTATE  
23 BROKERS.

24 (8) THE PERSON WAS NOT AN EXEMPT COMPANY OR REGISTRANT  
25 AND:

26 (I) ACTED AS AN APPRAISAL MANAGEMENT COMPANY.

27 (II) HELD OUT AS AN APPRAISAL MANAGEMENT COMPANY  
28 WITHIN THIS COMMONWEALTH.

29 (III) ADVERTISED OR HELD OUT AS ENGAGING IN OR  
30 CONDUCTING THE BUSINESS OF AN APPRAISAL MANAGEMENT

1 COMPANY

2 (B) BOARD ACTION.--WHEN THE BOARD FINDS ANY OF THE CAUSES  
3 LISTED IN SUBSECTION (A) SUPPORTED BY SUBSTANTIAL EVIDENCE THE  
4 BOARD MAY:

5 (1) DENY, SUSPEND, REVOKE OR REFUSE TO ISSUE OR RENEW  
6 THE REGISTRATION OF AN APPRAISAL MANAGEMENT COMPANY UNDER  
7 THIS ACT.

8 (2) RESTRICT, REPRIMAND, LIMIT OR SUSPEND ENFORCEMENT OF  
9 ITS FINDINGS AND PLACE THE APPRAISAL MANAGEMENT COMPANY ON  
10 PROBATION WITH THE RIGHT TO VACATE THE PROBATION FOR  
11 NONCOMPLIANCE.

12 (3) IN LIEU OF IMPOSING A SANCTION AUTHORIZED BY  
13 PARAGRAPH (1), THE BOARD MAY ORDER THE REMOVAL, REPLACEMENT  
14 OR RESTRICTION OF A COMPLIANCE PERSON OR A KEY PERSON FOUND  
15 TO HAVE COMMITTED ANY OF THE VIOLATIONS OF SUBSECTION (A) AS  
16 A CONDITION OF APPROVING, RENEWING OR RETAINING AN  
17 APPLICANT'S OR REGISTRANT'S REGISTRATION.

18 (4) IN LIEU OF IMPOSING A SANCTION AUTHORIZED BY  
19 PARAGRAPH (1), THE BOARD MAY ORDER A PERSON FOUND TO HAVE  
20 COMMITTED ANY OF THE VIOLATIONS OF SUBSECTION (A) AND THAT  
21 OWNS AN INTEREST IN OR PARTICIPATES IN THE BUSINESS OF AN  
22 APPRAISAL MANAGEMENT COMPANY TO DIVEST PARTIALLY OR WHOLLY OF  
23 SUCH INTEREST OR PARTICIPATION AS A CONDITION OF GRANTING,  
24 RENEWING OR RETAINING AN APPLICANT'S OR REGISTRANT'S  
25 REGISTRATION.

26 (5) LEVY A CIVIL PENALTY OR COSTS OF INVESTIGATION UNDER  
27 SUBSECTION (D) OR THE ACT OF JULY 2, 1993, (P.L.345, NO.48),  
28 ENTITLED "AN ACT EMPOWERING THE GENERAL COUNSEL OR HIS  
29 DESIGNEE TO ISSUE SUBPOENAS FOR CERTAIN LICENSING BOARD  
30 ACTIVITIES; PROVIDING FOR HEARING EXAMINERS IN THE BUREAU OF

1 PROFESSIONAL AND OCCUPATIONAL AFFAIRS; PROVIDING ADDITIONAL  
2 POWERS TO THE COMMISSIONER OF PROFESSIONAL AND OCCUPATIONAL  
3 AFFAIRS; AND FURTHER PROVIDING FOR CIVIL PENALTIES AND  
4 LICENSE SUSPENSION."

5 (6) REQUIRE A SURETY BOND OR LETTER OF CREDIT IN  
6 ADDITION TO THE REQUIREMENTS OF SECTION 6 (B) AND REGULATIONS  
7 OF THE BOARD PROMULGATED PURSUANT TO THAT SUBSECTION.

8 (C) CRIMINAL PENALTIES.--A PERSON THAT VIOLATES THIS ACT  
9 COMMITS A MISDEMEANOR OF THE THIRD DEGREE AND SHALL, UPON  
10 CONVICTION, BE SENTENCED TO PAY A FINE OF UP TO \$1,000 OR TO  
11 IMPRISONMENT FOR NOT MORE THAN 90 DAYS, OR BOTH.

12 (D) CIVIL PENALTY.--IN ADDITION TO ANY OTHER CIVIL REMEDY OR  
13 CRIMINAL PENALTY PROVIDED FOR IN THIS ACT, THE BOARD MAY LEVY A  
14 CIVIL PENALTY OF UP TO \$10,000 ON ANY PERSON THAT VIOLATES ANY  
15 PROVISION OF THIS ACT OR ANY PERSON THAT ACTS AS AN APPRAISAL  
16 MANAGEMENT COMPANY, HOLDS OUT AS AN APPRAISAL MANAGEMENT COMPANY  
17 IN THIS COMMONWEALTH OR ADVERTISES OR HOLDS OUT AS ENGAGING IN  
18 OR CONDUCTING THE BUSINESS OF AN APPRAISAL MANAGEMENT COMPANY AT  
19 A TIME WHEN THE PERSON IS NOT AN EXEMPT COMPANY OR REGISTERED  
20 UNDER THIS ACT. THE BOARD SHALL LEVY THIS PENALTY ONLY AFTER  
21 AFFORDING THE ACCUSED PARTY THE OPPORTUNITY FOR A HEARING, AS  
22 PROVIDED IN 2 PA.C.S. (RELATING TO ADMINISTRATIVE LAW AND  
23 PROCEDURE). ALL CIVIL PENALTIES IMPOSED IN ACCORDANCE WITH THIS  
24 SECTION SHALL BE PAID INTO THE PROFESSIONAL LICENSURE  
25 AUGMENTATION ACCOUNT.

26 (E) PROCEDURES.--THE INVESTIGATION AND PROSECUTION OF  
27 DISCIPLINARY PROCEEDINGS UNDER THIS SECTION SHALL BE CONDUCTED  
28 BY THE BOARD UNDER THE PROVISIONS OF THE REACA.  
29 SECTION 11. APPLICATION.

30 THIS ACT SHALL NOT APPLY TO:

1 (1) AN APPRAISER WHO:  
2 (I) IN THE NORMAL COURSE OF BUSINESS ENTERS INTO AN  
3 AGREEMENT, WHETHER WRITTEN OR OTHERWISE, WITH AN  
4 APPRAISER FOR THE PERFORMANCE OF AN APPRAISAL; AND  
5 (II) UNDER THE AGREEMENT COSIGNS THE APPRAISAL UPON  
6 ITS COMPLETION.

7 (2) A PERSON AUTHORIZED TO ENGAGE IN BUSINESS AS A  
8 BANKING INSTITUTION, CREDIT UNION OR SAVINGS ASSOCIATION  
9 ORGANIZED UNDER THE LAWS OF THIS COMMONWEALTH OR ANY OTHER  
10 JURISDICTION AND WHOSE EMPLOYEES PERFORM APPRAISALS FOR THE  
11 PERSON OR ARRANGE FOR THE PERFORMANCE OF APPRAISALS FOR THE  
12 PERSON BY AN INDEPENDENT CONTRACTOR TO THE PERSON.

13 SECTION 12. EFFECTIVE DATE.

14 THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

15 (1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT  
16 IMMEDIATELY:

17 (I) THIS SECTION.

18 (II) SECTION 4.

19 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT ON THE  
20 EARLIER OF:

21 (I) SIXTY DAYS AFTER THE EFFECTIVE DATE OF TEMPORARY  
22 REGULATIONS PROMULGATED UNDER SECTION 4(B) THAT PROVIDE  
23 FOR REGISTRATION OF APPRAISAL MANAGEMENT COMPANIES; OR

24 (ii) One hundred eighty days after the effective  
25 date of this section.