



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2017 Senate Bill 453

**Senate
Amendment 1**

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2017 SENATE BILL 453

2017 Senate Bill 453 implements requirements of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act relating to the regulation of appraisal management companies (AMCs).¹ The bill requires AMCs to obtain a license before performing appraisal management services for compensation or advertising appraisal management services or holding itself out as an AMC. The bill sets forth standards, exemptions, limitations, and procedures governing the issuance of such licenses and establishes requirements that apply to licensed AMCs.

The bill specifies that the licensing requirements and regulations created under the bill do not apply if federal law is amended or repealed so as to allow nonfederally regulated AMCs to perform services related to a federal related transaction without being required to be subject to state registration and regulation.

SENATE AMENDMENT 1

Senate Amendment 1 makes the following changes to the bill:

¹ Under federal law, incorporated for this purpose by the bill, “appraisal management company” means a person that does all of the following: (1) provides appraisal management services to creditors or secondary mortgage market participants; (2) 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 (3) within a specified 12-month period, oversees an appraiser panel of more than 15 state-certified or state-licensed appraisers in a single state or 25 or more state-certified or state-licensed appraisers in two or more states. [12 C.F.R. s. 34.211 (c).]

- Clarifies that an exemption from the general licensing requirement for AMCs for co-signed appraisals applies to “an appraiser” rather than “a person.”
- Revises a requirement regarding a written declaration of appraiser competency to require an AMC, **at or** before the time the appraiser **accepts** an appraisal services assignment from the AMC, to require the appraiser to **confirm in writing** that the appraiser satisfies certain competency requirements. The bill requires a licensed AMC to obtain a “written declaration” regarding such competency from an appraiser before the appraiser accepts an assignment.
- Modifies a provision requiring a licensed AMC to state certain fees in any written communication to a client, lender, or other person by clarifying that the requirement applies to any written communication to a client, lender, or other person **pertaining to the cost of a specific appraisal assignment.**
- Revises a provision requiring a licensed AMC to display its license number on all print or electronic advertising or other visual communications to instead require the display of license numbers on all print or electronic advertising, **on each solicitation for engagement on the AMC’s appraiser panel, and on each engagement letter used in connection with an appraisal assignment in this state.**

BILL HISTORY

Senator Craig offered Senate Amendment 1 on October 19, 2017. On October 20, 2017, the Senate Committee on Insurance, Housing, and Trade voted to recommend adoption of the amendment and passage of the bill, as amended, with unanimous votes.

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