

(2) for the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Resolution Trust Corporation to knowingly contract for the performance of any appraisal by a person who is not a State certified or licensed appraiser in connection with a real estate related financial transaction defined in section 3350(5) of this title to which such association or corporation is a party.

**(b) Penalties**

A financial institution that violates subsection (a)(1) of this section shall be subject to civil penalties under section 1818(i)(2) of this title or section 1786(k)(2) of this title, as appropriate.

**(c) Proceeding**

A proceeding with respect to a violation of this section shall be an administrative proceeding which may be conducted by a Federal financial institutions regulatory agency in accordance with the procedures set forth in subchapter II of chapter 5 of title 5.

(Pub. L. 101-73, title XI, §1120, Aug. 9, 1989, 103 Stat. 517.)

**§ 3350. Definitions**

For purposes of this chapter:

**(1) State appraiser certifying and licensing agency**

The term “State appraiser certifying and licensing agency” means a State agency established in compliance with this chapter.

**(2) Appraisal Subcommittee; subcommittee**

The terms “Appraisal Subcommittee” and “subcommittee” mean the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

**(3) Council**

The term “Council” means the Federal Financial Institutions Examinations Council.

**(4) Federally related transaction**

The term “federally related transaction” means any real estate-related financial transaction which—

- (A) a federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates; and
- (B) requires the services of an appraiser.

**(5) Real estate related financial transaction**

The term “real estate-related financial transaction” means any transaction involving—

- (A) the sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof;
- (B) the refinancing of real property or interests in real property; and
- (C) the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

**(6) Federal financial institutions regulatory agencies**

The term “Federal financial institutions regulatory agencies” means the Board of Gov-

ernors of the Federal Reserve System, the Federal Deposit Insurance Corporations, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration.

**(7) Financial institution**

The term “financial institution” means an insured depository institution as defined in section 1813 of this title or an insured credit union as defined in section 1752 of this title.

**(8) Chairperson**

The term “Chairperson” means the Chairperson of the Appraisal Subcommittee selected by the council.<sup>1</sup>

**(9) Foundation**

The terms “Appraisal Foundation” and “Foundation” means the Appraisal Foundation established on November 30, 1987, as a not for profit corporation under the laws of Illinois.

**(10) Written appraisal**

The term “written appraisal” means a written statement used in connection with a federally related transaction that is independently and impartially prepared by a licensed or certified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by presentation and analysis of relevant market information.

(Pub. L. 101-73, title XI, §1121, Aug. 9, 1989, 103 Stat. 517; Pub. L. 111-203, title XIV, §1473(f)(4), (t)(2), (3), July 21, 2010, 124 Stat. 2193, 2199.)

AMENDMENT OF SECTION

*Pub. L. 111-203, title XIV, §§1400(c), 1473(f)(4), (t)(2), (3), July 21, 2010, 124 Stat. 2136, 2193, 2199, provided that this section is amended, effective on the date on which final regulations implementing such amendment take effect, or on the date that is 18 months after the designated transfer date if such regulations have not been issued by that date:*

- (1) in paragraph (6), by striking “Corporations,” and inserting “Corporation,”;*
- (2) in paragraph (8), by striking “council” and inserting “Council”;* and
- (3) by adding at the end the following:*

*“(1) Appraisal management company*

*“The term ‘appraisal management company’ means, in connection with valuing properties collateralizing mortgage loans or mortgages incorporated into a securitization, any external third party authorized either by a creditor of a consumer credit transaction secured by a consumer’s principal dwelling or by an underwriter of or other principal in the secondary mortgage markets, that oversees a network or panel of more than 15 certified or licensed appraisers in a State or 25 or more nationally within a given year—*

*“(A) to recruit, select, and retain appraisers;*

*“(B) to contract with licensed and certified appraisers to perform appraisal assignments;*

*“(C) to manage the process of having an appraisal performed, including providing adminis-*

<sup>1</sup> So in original. Probably should be capitalized.

*trative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and underwriters, collecting fees from creditors and underwriters for services provided, and reimbursing appraisers for services performed; or*  
 “(D) to review and verify the work of appraisers.”

See *Effective Date of 2010 Amendment note below.*

#### EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective on the date on which final regulations implementing that amendment take effect, or on the date that is 18 months after the designated transfer date if such regulations have not been issued by that date, see section 1400(c) of Pub. L. 111-203, set out as a note under section 1601 of Title 15, Commerce and Trade.

### § 3351. Miscellaneous provisions

#### (a) Temporary practice

##### (1) In general

A State appraiser certifying or licensing agency shall recognize on a temporary basis the certification or license of an appraiser issued by another State if—

- (A) the property to be appraised is part of a federally related transaction,
- (B) the appraiser’s business is of a temporary nature, and
- (C) the appraiser registers with the appraiser certifying or licensing agency in the State of temporary practice.

##### (2) Fees for temporary practice

A State appraiser certifying or licensing agency shall not impose excessive fees or burdensome requirements, as determined by the Appraisal Subcommittee, for temporary practice under this subsection.

#### (b) Reciprocity

The Appraisal Subcommittee shall encourage the States to develop reciprocity agreements that readily authorize appraisers who are licensed or certified in one State (and who are in good standing with their State appraiser certifying or licensing agency) to perform appraisals in other States.

#### (c) Supplemental funding

Funds available to the Federal financial institutions regulatory agencies may be made available to the Federal Financial Institutions Examination Council to support the council’s<sup>1</sup> functions under this chapter.

#### (d) Prohibition against discrimination

Criteria established by the Federal financial institutions regulatory agencies, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Resolution Trust Corporation for appraiser qualifications in addition to State certification or licensing shall not exclude a certified or licensed appraiser for consideration for an assignment solely by virtue of membership or lack of membership in any particular appraisal organization.

#### (e) Other requirements

A corporation, partnership, or other business entity may provide appraisal services in connec-

tion with federally related transactions if such appraisal is prepared by individuals certified or licensed in accordance with the requirements of this chapter. An individual who is not a State certified or licensed appraiser may assist in the preparation of an appraisal if—

- (1) the assistant is under the direct supervision of a licensed or certified individual; and
- (2) the final appraisal document is approved and signed by an individual who is certified or licensed.

#### (f) Studies

##### (1) Study

The Appraisal Subcommittee shall—

(A) conduct a study to determine whether real estate sales and financing information and data that is available to real estate appraisers in the States is sufficient to permit appraisers to properly estimate the values of properties in connection with federally related transactions; and

(B) study the feasibility and desirability of extending the provisions of this chapter to the function of personal property appraising and to personal property appraisers in connection with Federal financial and public policy interests.

##### (2) Report

The Appraisal Subcommittee shall—

(A) report its findings to the Congress with respect to the study described in paragraph (1)(A) no later than 12 months after August 9, 1989, and

(B) report its findings with respect to the study described in paragraph (1)(B) to Congress not later than 18 months after August 9, 1989.

(Pub. L. 101-73, title XI, §1122, Aug. 9, 1989, 103 Stat. 518; Pub. L. 103-325, title III, §315, Sept. 23, 1994, 108 Stat. 2222; Pub. L. 111-203, title XIV, §1473(l)-(p), (t)(4), July 21, 2010, 124 Stat. 2196, 2197, 2199.)

#### AMENDMENT OF SECTION

*Pub. L. 111-203, title XIV, §§1400(c), 1473(l)-(p), (t)(4), July 21, 2010, 124 Stat. 2136, 2196, 2197, 2199, provided that this section is amended, effective on the date on which final regulations implementing such amendment take effect, or on the date that is 18 months after the designated transfer date if such regulations have not been issued by that date:*

*(1) in subsection (a)(1) by moving the left margin of subparagraphs (A), (B), and (C) 2 ems to the right;*

*(2) by amending subsec. (b) to read as follows:*

“(b) *Reciprocity*

“*Notwithstanding any other provisions of this chapter, a federally related transaction shall not be appraised by a certified or licensed appraiser unless the State appraiser certifying or licensing agency of the State certifying or licensing such appraiser has in place a policy of issuing a reciprocal certification or license for an individual from another State when—*

*“(1) the appraiser licensing and certification program of such other State is in compliance with the provisions of this chapter; and*

<sup>1</sup> So in original. Probably should be capitalized.