

# HOUSE BILL ANALYSIS

## HB 2426

**Brief Description:** Regulating third-party appraisals.

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**Sponsors:** L Thomas and Wolfe.

Hearing: January 21, 1998

### **BACKGROUND:**

With certain exceptions a person may conduct a real estate appraisal or appraisal review only if he or she is licensed or certified by the Department of Licensing. One exception allows a non licensed or non certified employee of a financial institution or mortgage broker to conduct an appraisal or appraisal review for their employer. The real estate transaction must be one for which a non certified or non licensed appraisal is permitted.

The law requiring appraisals to be conducted by state licensed or a certified appraiser was enacted in 1996 to become effective July 1, 1997. Under this law, not only employees of financial institutions but also third parties who were not licensed or certified could conduct appraisals for the institution or broker. The 1996 law was amended in 1997 prior to its effective date. The amendment removed the exception for a third party appraisal.

### **SUMMARY OF BILL:**

A third party, as well as an employee, who is not licensed or certified by the Department of Licensing may conduct appraisals or appraisal reviews for a financial institution or mortgage broker for certain real estate transactions.

**RULES AUTHORITY:** The bill does not contain provisions addressing the rule-making powers of an agency.

**APPROPRIATION:** None.

**FISCAL NOTE:** None requested.

**EFFECTIVE DATE:** Ninety days after adjournment of a session in which bill is passed.