

SENATE BILL REPORT

SB 6169

As Passed Senate, February 14, 1998

Title: An act relating to lenders use of third-party real estate appraisals to conform with federal requirements.

Brief Description: Regulating third-party appraisals.

Sponsors: Senators Winsley and Prentice.

Brief History:

Committee Activity: Financial Institutions, Insurance & Housing: 1/20/98, 1/28/98 [DP]. Passed Senate, 2/14/98, 45-1.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, INSURANCE & HOUSING

Majority Report: Do pass.

Signed by Senators Winsley, Chair; Benton, Vice Chair; Finkbeiner, Hale, Heavey, Kline and Prentice.

Staff: Dave Cheal (786-7576)

Background: Under current law, only individuals who are certified or licensed as real estate appraisers are permitted to conduct real estate appraisals. Current law does provide a number of exemptions to these licensing/certification requirements. Employees of financial institutions or mortgage brokers are not required to be licensed if they conduct appraisals or appraisal reviews that are not required by the federal regulatory agency to be performed by a state-certified or state-licensed real estate appraiser. Third party vendors performing the same type of appraisals for financial institutions or mortgage brokers are required to be certified or licensed.

Summary of Bill: An exemption is added to the real estate appraiser certification and licensing act. Third party vendors who perform real estate appraisals or appraisal reviews for financial institutions or mortgage brokers are permitted to do so without being licensed or certified if the federal regulatory agency does not require such appraisals to be performed by a certified or licensed appraiser.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Not all appraisals need to be done by a licensed appraiser. Federal regulations allow certain exceptions, and this bill would allow the use of trained but

unlicensed appraisers in those situations. This will save money for home buyers without risk to lenders.

Testimony Against: None.

Testified: PRO: Scott Gaspard, WA Savings League; Patrick Davidson, WA Mutual Bank; David Bley, Fannie Mae.