

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5597

64th Legislature
2016 Regular Session

Passed by the Senate February 15, 2016
Yeas 48 Nays 0

President of the Senate

Passed by the House March 4, 2016
Yeas 97 Nays 0

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5597** as passed by Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5597

Passed Legislature - 2016 Regular Session

State of Washington 64th Legislature 2016 Regular Session

By Senate Commerce & Labor (originally sponsored by Senator Roach)

READ FIRST TIME 02/04/16.

1 AN ACT Relating to real estate appraisers; and amending RCW
2 18.140.010 and 18.140.120.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 18.140.010 and 2005 c 339 s 2 are each amended to
5 read as follows:

6 The definitions in this section apply throughout this chapter
7 unless the context clearly requires otherwise.

8 (1) "Appraisal" means the act or process of estimating value; an
9 estimate of value; or of or pertaining to appraising and related
10 functions.

11 (2) "Appraisal report" means any communication, written or oral,
12 of an appraisal, review, or consulting service in accordance with the
13 standards of professional conduct or practice, adopted by the
14 director, that is transmitted to the client upon completion of an
15 assignment.

16 (3) "Appraisal assignment" means an engagement for which an
17 appraiser is employed or retained to act, or would be perceived by
18 third parties or the public as acting, as a disinterested third party
19 in rendering an unbiased analysis, opinion, or conclusion relating to
20 the value of specified interests in, or aspects of, identified real

1 estate. The term "appraisal assignment" may apply to valuation work
2 and analysis work.

3 (4) "Brokers price opinion" means an oral or written report of
4 property value that is prepared by a real estate broker or
5 salesperson licensed under chapter 18.85 RCW.

6 (5) "Client" means any party for whom an appraiser performs a
7 service.

8 (6) "Commission" means the real estate appraiser commission of
9 the state of Washington.

10 (7) "Comparative market analysis" means a brokers price opinion.

11 (8) "Department" means the department of licensing.

12 (9) "Director" means the director of the department of licensing.

13 (10) "Expert review appraiser" means a state-certified or state-
14 licensed real estate appraiser chosen by the director for the purpose
15 of providing appraisal review assistance to the director.

16 (11) "Federal department" means an executive department of the
17 United States of America specifically concerned with housing finance
18 issues, such as the department of housing and urban development, the
19 department of veterans affairs, or their legal federal successors.

20 (12) "Federal financial institutions regulatory agency" means the
21 board of governors of the federal reserve system, the federal deposit
22 insurance corporation, the office of the comptroller of the currency,
23 (~~the office of thrift supervision,~~) the national credit union
24 administration, their successors and/or such other agencies as may be
25 named in future amendments to 12 U.S.C. Sec. 3350(6).

26 (13) "Federal secondary mortgage marketing agency" means the
27 federal national mortgage association, the government national
28 mortgage association, the federal home loan mortgage corporation,
29 their successors and/or such other similarly functioning housing
30 finance agencies as may be federally chartered in the future.

31 (14) "Federally related transaction" means any real estate-
32 related financial transaction that the federal financial institutions
33 regulatory agency or the resolution trust corporation engages in,
34 contracts for, or regulates; and that requires the services of an
35 appraiser.

36 (15) "Financial institution" means any person doing business
37 under the laws of this state or the United States relating to banks,
38 bank holding companies, savings banks, trust companies, savings and
39 loan associations, credit unions, consumer loan companies, and the
40 affiliates, subsidiaries, and service corporations thereof.

1 (16) "Mortgage broker" for the purpose of this chapter means a
2 mortgage broker licensed under chapter 19.146 RCW, any mortgage
3 broker approved and subject to audit by the federal national mortgage
4 association, the government national mortgage association, or the
5 federal home loan mortgage corporation as provided in RCW 19.146.020,
6 any mortgage broker approved by the United States secretary of
7 housing and urban development for participation in any mortgage
8 insurance under the national housing act, 12 U.S.C. Sec. 1201, and
9 the affiliates, subsidiaries, and service corporations thereof.

10 (17) "Real estate" means an identified parcel or tract of land,
11 including improvements, if any.

12 (18) "Real estate-related financial transaction" means any
13 transaction involving:

14 (a) The sale, lease, purchase, investment in, or exchange of real
15 property, including interests in property, or the financing thereof;

16 (b) The refinancing of real property or interests in real
17 property; and

18 (c) The use of real property or interests in property as security
19 for a loan or investment, including mortgage-backed securities.

20 (19) "Real property" means one or more defined interests,
21 benefits, or rights inherent in the ownership of real estate.

22 (20) "Review" means the act or process of critically studying an
23 appraisal report prepared by another.

24 (21) "Specialized appraisal services" means all appraisal
25 services that do not fall within the definition of appraisal
26 assignment. The term "specialized appraisal service" may apply to
27 valuation work and to analysis work. Regardless of the intention of
28 the client or employer, if the appraiser would be perceived by third
29 parties or the public as acting as a disinterested third party in
30 rendering an unbiased analysis, opinion, or conclusion, the work is
31 classified as an appraisal assignment and not a specialized appraisal
32 service.

33 (22) "State-certified general real estate appraiser" means a
34 person certified by the director to develop and communicate real
35 estate appraisals of all types of property. A state-certified general
36 real estate appraiser may designate or identify an appraisal rendered
37 by him or her as a "certified appraisal."

38 (23) "State-certified residential real estate appraiser" means a
39 person certified by the director to develop and communicate real
40 estate appraisals of all types of residential property of one to four

1 units without regard to transaction value or complexity and
2 nonresidential property having a transaction value as specified in
3 rules adopted by the director. A state-certified residential real
4 estate appraiser may designate or identify an appraisal rendered by
5 him or her as a "certified appraisal."

6 (24) "State-licensed real estate appraiser" means a person
7 licensed by the director to develop and communicate real estate
8 appraisals of noncomplex one to four residential units and complex
9 one to four residential units and nonresidential property having
10 transaction values as specified in rules adopted by the director.

11 (25) "State-registered appraiser trainee," "trainee," or "trainee
12 real estate appraiser" means a person registered by the director
13 under RCW 18.140.280 to develop and communicate real estate
14 appraisals under the immediate and personal direction of a state-
15 certified real estate appraiser. Appraisals are limited to those
16 types of properties that the supervisory appraiser is permitted by
17 their current credential, and that the supervisory appraiser is
18 competent and qualified to appraise. By signing the appraisal report,
19 or being identified in the certification or addenda as having lent
20 significant professional assistance, the state-registered appraiser
21 trainee accepts total and complete individual responsibility for all
22 content, analyses, and conclusions in the report.

23 (26) "Supervisory appraiser" means a person holding a currently
24 valid certificate issued by the director as a state-certified real
25 estate appraiser providing direct supervision to another state-
26 certified, state-licensed, or state-registered appraiser trainee. The
27 supervisory appraiser must be in good standing in each jurisdiction
28 that he or she is credentialed. The supervisory appraiser must sign
29 all appraisal reports. By signing the appraisal report, the
30 supervisory appraiser accepts full responsibility for all content,
31 analyses, and conclusions in the report.

32 **Sec. 2.** RCW 18.140.120 and 2005 c 339 s 9 are each amended to
33 read as follows:

34 An applicant for certification or licensure who is currently
35 certified or licensed and in good standing under the laws of another
36 state may obtain a certificate or license as a Washington state-
37 certified or state-licensed real estate appraiser without being
38 required to satisfy the examination requirements of this chapter
39 if((+)) the director determines that ((the certification or licensure

1 ~~requirements are substantially similar to those found in Washington~~
2 ~~state; and that the other state has a written reciprocal agreement to~~
3 ~~provide similar treatment to holders of Washington state certificates~~
4 ~~and/or licenses)): The appraiser licensing and certification program
5 of the other state is in compliance with 12 U.S.C. Secs. 3331-3355,
6 as existed on the effective date of this section, or such subsequent
7 date as the director may provide by rule, consistent with the
8 purposes of this section; and the other state's requirements for
9 certification or licensing meet or exceed the licensure standards
10 established in this chapter.~~

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