

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 431

Short Title: Real Estate Appraisal Clarifications. (Public)

Sponsors: Representatives Hardister, Ross, and Goodman (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Regulatory Reform, if favorable, Banking

March 23, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO CONFORM WITH FEDERAL GUIDELINES IN THE PERFORMANCE OF
3 EVALUATIONS FOR REAL PROPERTY FOR FEDERALLY REGULATED
4 FINANCIAL INSTITUTIONS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 93E-1-4 reads as rewritten:

7 "§ 93E-1-4. Definitions.

8 When used in this Chapter, unless the context otherwise requires, the ~~term~~ following
9 definitions apply:

- 10 (1) ~~"Appraisal" or "real estate appraisal" means an Appraisal or real estate~~
11 ~~appraisal. – An analysis, opinion, or conclusion as to the value of identified~~
12 ~~real estate or specified interests therein performed for compensation or other~~
13 ~~valuable consideration.~~
14 (2) ~~"Appraisal assignment" means an Appraisal assignment. – An engagement~~
15 ~~for which an appraiser is employed or retained to act, or would be perceived~~
16 ~~by third parties or the public as acting, as a disinterested third party in~~
17 ~~rendering an unbiased appraisal.~~
18 (3) ~~"Appraisal Board" or "Board" means the Appraisal Board or Board. – The~~
19 ~~North Carolina Appraisal Board established under G.S. 93E-1-5.~~
20 (4) ~~"Appraisal Foundation" or "Foundation" means Appraisal Foundation or~~
21 ~~Foundation. – The Appraisal Foundation established on November 20, 1987,~~
22 ~~as a not-for-profit corporation under the laws of Illinois.~~
23 (5) ~~"Appraisal report" means any Appraisal report. – Any communication,~~
24 ~~written or oral, of an appraisal.~~
25 (6) ~~"Certificate" means that Certificate. – A document issued by the North~~
26 ~~Carolina Appraisal Board evidencing that the individual person named~~
27 ~~therein has satisfied the requirements for certification as a certified real~~
28 ~~estate appraiser and bearing a certificate number assigned by the Board.~~
29 (7) ~~"Certificate holder" means a person Certificate holder. – An individual~~
30 ~~certified by the Board under the provisions of this Chapter.~~
31 (7a) ~~"Certified general real estate appraiser" means a person Certified general real~~
32 ~~estate appraiser. – An individual who holds a current, valid certificate as a~~
33 ~~certified general real estate appraiser issued under the provisions of this~~
34 ~~Chapter.~~



- 1 (7b) ~~"Certified residential real estate appraiser" means a person~~Certified
2 residential real estate appraiser. – An individual who holds a current, valid
3 certificate as a certified residential real estate appraiser issued under the
4 provisions of this Chapter.
- 5 (7c) ~~"Comparative market analysis" and "broker price opinion" mean~~
6 ~~an~~Comparative market analysis or broker price opinion. – An estimate
7 prepared by a licensed real estate broker that details the probable selling
8 price or leasing price of a particular parcel of or interest in property and
9 provides a varying level of detail about the property's condition, market, and
10 neighborhood, and information on comparable properties, but does not
11 include an automated valuation model.
- 12 (7d) Evaluation. – A determination as to the value of real estate performed for a
13 federally regulated financial institution in accordance with the Interagency
14 Guidelines.
- 15 (7e) Interagency Guidelines. – The Interagency Appraisal and Evaluation
16 Guidelines issued jointly by the Federal Deposit Insurance Corporation,
17 Federal Reserve System, National Credit Union Administration, Office of
18 Thrift Supervision, and the Office of the Comptroller of the Currency.
- 19 (8) ~~"License" means that~~License. – A document issued by the North Carolina
20 Appraisal Board evidencing that the ~~person~~individual named therein has
21 satisfied the requirements for licensure as a licensed real estate appraiser and
22 bearing a license number assigned by the Board.
- 23 (8a) ~~"Licensed residential real estate appraiser" means a person~~Licensed
24 residential real estate appraiser. – An individual who holds a current, valid
25 license as a licensed residential real estate appraiser issued under the
26 provisions of this Chapter.
- 27 (9) ~~"Licensee" means a person~~Licensee. – An individual licensed by the Board
28 under the provisions of this Chapter.
- 29 (10) ~~"Real estate" or "real property" means land,~~Real estate or real property. –
30 Land, including the air above and ground below and all appurtenances and
31 improvements thereto, as well as any interest or right inherent in the
32 ownership of land.
- 33 (11) ~~"Real estate appraiser" or "appraiser" means a person~~Real estate appraiser or
34 appraiser. – An individual who for a fee or valuable consideration develops
35 and communicates real estate appraisals or otherwise gives an opinion of the
36 value of real estate or any interest therein.
- 37 (12) ~~"Real estate appraising" means the~~Real estate appraising. – The practice of
38 developing and communicating real estate appraisals.
- 39 (13) ~~"Residential real estate" means any~~Residential real estate. – A parcel of real
40 estate, improved or unimproved, that is exclusively residential in nature and
41 that includes or is intended to include a residential structure containing not
42 more than four dwelling units and no other improvements except those
43 which are typical residential improvements that support the residential use
44 for the location and property type. A residential unit in a condominium, town
45 house, or cooperative complex, or planned unit development is considered to
46 be residential real estate.
- 47 (14) through (16) Repealed by Session Laws 2007-506, s. 4, effective October 1,
48 2007.
- 49 (17) ~~"Temporary appraiser licensure or certification" means the~~Temporary
50 appraiser license or certification. – The issuance of a temporary license or
51 certificate by the Board to a ~~person~~an individual licensed or certified in

1 another state who enters this State for the purpose of completing a particular
2 appraisal assignment.

3 (18) ~~"Trainee", "registered trainee", or "trainee real estate appraiser" means a~~
4 ~~person~~Trainee, registered trainee, or trainee real estate appraiser. – An
5 individual who holds a current, valid registration as a trainee real estate
6 appraiser issued under the provisions of this Chapter.

7 (19) ~~"Trainee registration" or "registration as a trainee" means the~~Trainee
8 registration or registration as a trainee. – A document issued by the North
9 Carolina Appraisal Board evidencing that the ~~person~~individual named
10 therein has satisfied the requirements of registration as a trainee real estate
11 appraiser and bearing a registration number assigned by the Board."

12 **SECTION 2.** Article 1 of Chapter 93E of the General Statutes is amended by
13 adding a new section to read:

14 **"§ 93E-1-15. Evaluations performed by appraisers.**

15 Evaluations may be performed by persons licensed or certified by the Appraisal Board if
16 they are performed in accordance with the Interagency Guidelines. Appraisers performing
17 evaluations shall develop and report these evaluations in accordance with the Interagency
18 Appraisal and Evaluation Guidelines and do not have to report evaluations in accordance with
19 Standards 1 and 2 of the Uniform Standards of Professional Appraisal Practice. An evaluation
20 report shall contain a disclaimer stating that "This evaluation is not an appraisal performed in
21 accordance with Standards 1 and 2 of the Uniform Standards of Professional Appraisal Practice
22 and is intended only for the use of a federally regulated financial institution in accordance with
23 the Interagency Guidelines."

24 **SECTION 3.** This act is effective when it becomes law.