

Chapter 674

2017 EDITION

Real Estate Appraisers and Appraisal

GENERAL PROVISIONS	
674.010	Definitions
674.020	Purposes
CERTIFICATION, LICENSURE AND REGISTRATION	
674.100	Persons engaged in real estate appraisal activity required to be certified, licensed or registered; exclusions; violations
674.103	Consideration of energy efficient improvements
674.105	Authority of Appraiser Certification and Licensure Board to require fingerprints
674.120	Nonresident certificate or license recognized; criteria
674.130	Appraisal standards for federally related transactions
674.140	Grounds for discipline
674.145	Procedures to follow before instigating disciplinary proceedings; rules
674.150	Maintenance of appraisal records
674.160	Reciprocal agreements with other states; procedures
APPRAISAL MANAGEMENT COMPANIES	
674.200	Definitions for ORS 674.200 to 674.250
674.205	Registration requirement; exceptions; list of registrants; renewal; rules
674.210	Surety bond
674.215	Audits; rules
674.220	Prohibited activities
674.225	Payment to independent contractor appraiser
674.230	Forwarding of complaints; rules
674.235	Denial, suspension and revocation of registration
674.240	Duty to report unethical or unprofessional conduct
674.245	Documentation of training; rules
674.250	Fees
BOARD	
674.305	Appraiser Certification and Licensure Board; appointment; term; compensation; conduct of business; rules
674.310	Duties and powers of board; rules
674.320	Continuing authority of board
674.330	Fees; rules
674.340	Board funds; Federal Registry Fund
MISCELLANEOUS	
674.405	Adjustments to appraisal not required based on form of conveyance
674.410	Written report required to present testimony on appraisal
PENALTIES	
674.850	Civil penalties
674.990	Criminal penalties
674.995	Civil penalties for violation of ORS 674.200 to 674.250

OCCUPATIONS AND PROFESSIONS

GENERAL PROVISIONS

674.010 Definitions. For purposes of this chapter:

(1) "Appraisal Foundation" means the Appraisal Foundation established on November 30, 1987, as a not-for-profit corporation under the laws of Illinois.

(2) "Appraisal Subcommittee" means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council established pursuant to the federal Act.

(3) "Board" means the Appraiser Certification and Licensure Board established under ORS 674.305.

(4) "Federal Act" means Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. 3310 et seq.).

(5) "Federal financial institution regulatory agency" means:

(a) The Board of Governors of the Federal Reserve System;

(b) The Federal Deposit Insurance Corporation;

(c) The Office of the Comptroller of the Currency;

(d) The Office of Thrift Supervision; or

(e) The National Credit Union Administration.

(6) "Federally related transaction" means any real estate-related financial transaction that:

(a) A federal financial institution regulatory agency or the Resolution Trust Corporation engages in, contracts for or regulates; and

(b) Requires the services of an appraiser.

(7) "Financial institution" means an insured depository institution as defined in section 3 of the Federal Deposit Insurance Act or an insured credit union as defined in section 101 of the Federal Credit Union Act.

(8) "Mortgage banker" has the meaning given that term in ORS 86A.100.

(9) "Professional real estate activity" has the meaning given that term in ORS 696.010.

(10) "Real estate appraisal activity" means the activity described in ORS 674.100.

(11) "Real estate-related financial transaction" means any transaction involving:

(a) The sale, lease, purchase, investment in or exchange of real property, including interests in real 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 real property as security for a loan or in-

vestment, including mortgage-backed securities.

(12) "State certified appraiser" means an individual who has been certified as a state certified appraiser under ORS 674.310.

(13) "State licensed appraiser" means an individual who has been licensed as a state licensed appraiser under ORS 674.310.

(14) "State registered appraiser assistant" means an individual who has been registered as a state registered appraiser assistant under ORS 674.310. [1991 c.5 §2; 1993 c.465 §2; 1993 c.508 §41; 1993 c.744 §217; 2005 c.254 §1]

674.020 Purposes. The purposes of this chapter are to:

(1) Require that all real estate appraisals be performed in accordance with uniform standards by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision.

(2) Conform the law of this state to the requirements of federal law.

(3) Ensure the availability of state certified appraisers, state licensed appraisers and state registered appraiser assistants for the performance of real estate appraisal activity, including the performance of appraisals in federally related transactions, and to ensure effective supervision of the activities of state certified appraisers, state licensed appraisers and state registered appraiser assistants. [1991 c.5 §1; 1997 c.417 §1; 2005 c.254 §2]

CERTIFICATION, LICENSURE AND REGISTRATION

674.100 Persons engaged in real estate appraisal activity required to be certified, licensed or registered; exclusions; violations. (1)(a) A person may not engage in, carry on, advertise or purport to engage in or carry on real estate appraisal activity within this state without first obtaining certification, licensure or registration as provided for in ORS 674.310.

(b) Real estate appraisal activity is the preparation, completion and issuance of an opinion as to the value on a given date or at a given time of real property or an interest in real property, whether the activity is performed in connection with a federally related transaction or is not performed in connection with a federally related transaction. Notwithstanding any other provision of law, a state certified appraiser or a state licensed appraiser:

(A) Is not required to be licensed under ORS 696.022 to perform real estate appraisal activity or any other activity that constitutes the giving of an opinion as to the value of

real property or an interest in real property; and

(B) Is not subject to regulation under ORS 696.010 to 696.495 and 696.600 to 696.995 in connection with the performance of real estate appraisal activity or the performance of any other activity that constitutes the giving of an opinion as to the value of real estate or an interest in real estate.

(2) Real estate appraisal activity excludes activity that is not performed in connection with a federally related transaction and that:

(a) Is performed by a nonlicensed regular full-time employee of a single owner of real estate, if the activity involves the real estate of the employer and is incidental to the employee's normal, nonreal estate activities;

(b) Is performed by a nonlicensed regular full-time employee whose activity involves the real estate of the employer, when the activity is the employee's principal activity, but the employer's principal activity or business is not the appraisal of real estate;

(c) Is performed by an attorney at law rendering services in the performance of duties as an attorney at law;

(d) Is performed by a registered geologist, registered professional engineer or architect rendering services as a registered geologist, registered professional engineer or architect;

(e) Is performed by a certified public accountant rendering services as a certified public accountant;

(f) Is performed by a mortgage banker rendering services as a mortgage banker;

(g) Constitutes a letter opinion or a competitive market analysis as those terms are defined in ORS 696.010 that, by administrative or judicial order or subpoena, is compelled from an individual licensed to engage in professional real estate activity under ORS 696.022;

(h) Is performed by a salaried employee of the federal government, the State of Oregon or a political subdivision of the federal government or the State of Oregon while engaged in the performance of the duties of the employee;

(i) Is limited to analyzing or advising of permissible land use alternatives, environmental impact, building and use permit procedures or demographic market studies, if the performance of the activities does not involve the rendering of an opinion as to the value of the real estate in question;

(j) Is performed by a professional forester appraising or valuing timber, timberland or both as part of services performed as a private consultant in forest management, but only if, in the case of timberland, the ap-

praisal or valuation is limited to the use of the land as forestland;

(k) Is limited to giving an opinion in an administrative or judicial proceeding regarding the value of real estate for taxation;

(L) Is limited to giving an opinion regarding the value of real estate by a person who is not licensed under ORS chapter 696, if the person's business is not the appraisal, selling or listing of real estate and the activity is performed without compensation. This paragraph does not apply to a person conducting transactional negotiations on behalf of another person for transfer of an interest in real property;

(m) Is limited to transferring or acquiring an interest in real estate by a person who is not licensed under ORS chapter 696; or

(n) Is performed by a home inspector acting within the scope of a certificate or license issued under ORS chapter 701.

(3)(a) Real estate appraisal activity does not include an analysis, evaluation, opinion, conclusion, notation or compilation of data prepared by a financial institution or affiliate, a consumer finance company licensed under ORS chapter 725 or an insurance company or affiliate, made for internal use only by the financial institution or affiliate, consumer finance company or the insurance company or affiliate, concerning an interest in real estate for ownership or collateral purposes by the financial institution or affiliate, the consumer finance company licensed under ORS chapter 725 or the insurance company or affiliate. Nothing in this subsection shall be construed to excuse a financial institution or affiliate from complying with the provisions of Title XI of the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. 3310 et seq.).

(b) As used in this subsection, "evaluation" means a study of the nature, quality or utility of a parcel of real estate or interests in, or aspects of, real property in which a value estimate is not necessarily required.

(4)(a) As used in this section, "purport to engage in or carry on real estate appraisal activity" means the display of a card, sign, advertisement or other printed, engraved or written instrument bearing the person's name in conjunction with the term "appraiser," "licensed appraiser," "certified appraiser," "appraiser assistant," "registered appraiser assistant" or "appraisal" or an oral statement or representation of certification, licensure or registration by the Appraiser Certification and Licensure Board made by a person.

(b) Each display or statement described in paragraph (a) of this subsection by a per-

son not licensed, certified or registered by the board is a separate violation under ORS 674.850 or 674.990.

(c) In a proceeding under ORS 674.850 or 674.990, a display or statement described in paragraph (a) of this subsection shall be considered prima facie evidence that the person named in the display or making the statement purports to engage in or carry on real estate appraisal activity. [1991 c.5 §3; 1993 c.465 §1; 1993 c.744 §218; 1997 c.417 §2; 2001 c.196 §1; 2001 c.300 §62; 2005 c.254 §3; 2007 c.319 §33]

674.103 Consideration of energy efficient improvements. When preparing, completing or issuing an opinion about the value of real property or an interest in real property as described in ORS 674.100 (1)(b), a state licensed appraiser or state certified appraiser shall consider improvements made to the structure of any building located on the real property that make the building more energy efficient. [2013 c.383 §14]

674.105 Authority of Appraiser Certification and Licensure Board to require fingerprints. For the purpose of requesting a state or nationwide criminal records check under ORS 181A.195, the Appraiser Certification and Licensure Board may require the fingerprints of a person who is applying for, or holds, a license, certificate or registration, or is applying for renewal of a license, certificate or registration, that is issued by the board, or of a person who:

(1)(a) Is employed or applying for employment by the board;

(b) Provides services or seeks to provide services to the board as a contractor, vendor or volunteer; and

(2) Is, or will be, working or providing services in a position:

(a) In which the person is providing information technology services and has control over, or access to, information technology systems that would allow the person to harm the information technology systems or the information contained in the systems;

(b) In which the person has access to information, the disclosure of which is prohibited by state or federal laws, rules or regulations or information that is defined as confidential under state or federal laws, rules or regulations;

(c) That has payroll functions or in which the person has responsibility for receiving, receipting or depositing money or negotiable instruments, for billing, collections or other financial transactions or for purchasing or selling property or has access to property held in trust or to private property in the temporary custody of the state; or

(d) In which the person has access to personal information about employees or members of the public including Social Security numbers, dates of birth, driver license numbers, medical information, personal financial information or criminal background information. [2005 c.730 §59]

Note: 674.105 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 674 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

674.120 Nonresident certificate or license recognized; criteria. The Appraiser Certification and Licensure Board shall recognize temporarily the certificate or license of an appraiser issued by another state if:

(1) The appraiser's business is of a temporary nature; and

(2) The appraiser registers with the board. [1991 c.5 §8; 1993 c.465 §6]

674.130 Appraisal standards for federally related transactions. Notwithstanding any other provision of law, any real estate appraisal that is performed in connection with a federally related transaction shall be in writing and shall be performed and completed in accordance with the appraisal standards established by the federal financial institution regulatory agency having jurisdiction over the federally related transaction for which the appraisal is performed. In the event of any conflict between the provisions of any other law and the appraisal standards established by the federal financial institution regulatory agency having jurisdiction, the standards established by the federal financial institution regulatory agency shall prevail. [1991 c.5 §9]

674.140 Grounds for discipline. The Appraiser Certification and Licensure Board may suspend or revoke the certificate, license or registration of a state certified appraiser, a state licensed appraiser or a state registered appraiser assistant, reprimand a state certified appraiser, a state licensed appraiser or a state registered appraiser assistant, require additional education of a state certified appraiser, a state licensed appraiser or a state registered appraiser assistant or deny the issuance or renewal of a certificate, license or registration to an applicant if the state certified appraiser, state licensed appraiser or state registered appraiser assistant or applicant has done any of the following:

(1) Knowingly or negligently pursued a continued course of material misrepresentation in matters related to real estate appraisal activity, whether or not damage or injury resulted, or knowingly or negligently made a material misrepresentation or false material promise in a matter related to real estate appraisal activity, if the material mis-

representation or material false promise created a reasonable probability of damage or injury, whether or not damage or injury actually resulted.

(2) Disregarded or violated a provision of ORS 674.130 or 674.150 or the federal Act or a rule adopted under ORS 674.310.

(3) Knowingly or negligently made, printed, distributed or in any manner published materially misleading or untruthful advertising, descriptions or promises, of such character as reasonably to induce a person to act to the damage or injury of the person, whether or not actual damage or injury resulted.

(4) Guaranteed, authorized or permitted a person to guarantee future profits that may result in the resale of real property.

(5) Failed for any reason to pay to the board the annual registry fee provided for under ORS 674.330 (1) or the fees provided for under ORS 674.330 (2).

(6) Failed or refused upon demand by the board to produce or to supply for inspection by the board true copies of any document, book or record in the individual's possession or control or concerning real estate appraisal activity transacted by the individual.

(7) Failed to maintain at all times any records that the individual is required to maintain under ORS 674.150.

(8) Accepted employment or compensation for performing or agreeing to perform a real estate appraisal activity contingent upon the reporting of a predetermined value or performed real estate appraisal activity on real estate in which the individual had an undisclosed interest.

(9) Entered a plea of nolo contendere or been found guilty of, or been convicted of, a felony or misdemeanor substantially related to the individual's trustworthiness or competence to engage in real estate appraisal activity.

(10) Knowingly authorized, directed or aided in the publication, advertisement, distribution or circulation of a material false statement or material misrepresentation concerning the individual's business.

(11) Demonstrated negligence or incompetence in performing an act for which the individual is required to hold a certificate, license or registration.

(12) Knowingly permitted an individual whose certificate, license or registration has been suspended or revoked to engage in real estate appraisal activity with or on behalf of a state certified appraiser or state licensed appraiser.

(13) Committed an act or conduct, whether of the same or of a different char-

acter specified in this section and whether or not in the course of real estate appraisal activity, that:

(a) Constitutes or demonstrates bad faith, incompetency or untrustworthiness, or dishonest, fraudulent or improper dealings; and

(b) Is substantially related to the fitness of the applicant or holder of a certificate, license or registration to conduct real estate appraisal activity. [1991 c.5 §12; 2001 c.332 §1; 2003 c.749 §14; 2005 c.254 §4]

674.145 Procedures to follow before instigating disciplinary proceedings; rules. (1) As used in this section, "objective basis" means a substantial objective basis for believing that, more likely than not, a violation of ORS 674.140 has occurred and a person subject to discipline under ORS 674.140 has committed the violation.

(2) Before disciplining a person under ORS 674.140, the Appraiser Certification and Licensure Board shall establish a subcommittee for the purpose of making a recommendation as to whether an objective basis exists to believe that the alleged violation occurred.

(3) To establish a subcommittee under this section, the board shall appoint to the subcommittee three members from among members of the board.

(4) A subcommittee shall review the facts of an alleged violation and, within 30 days of being established, make a recommendation described in subsection (2) of this section. If the subcommittee recommends that an objective basis exists, the subcommittee shall submit a report to the board describing the specific violation that occurred and the facts supporting the subcommittee's recommendation.

(5) Except as provided in subsection (6) of this section, the board may commence disciplinary proceedings only after receiving a report under subsection (4) of this section.

(6) Upon a finding of serious danger to the public health or safety, the board may impose a form of discipline as allowed under ORS 183.430 (2) before receiving a report under subsection (4) of this section.

(7) The board shall adopt rules to implement this section. [2013 c.532 §2]

Note: 674.145 was added to and made a part of ORS chapter 674 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

674.150 Maintenance of appraisal records. Every state certified appraiser and every state licensed appraiser shall maintain records of all real estate appraisal activity conducted by the appraiser. The records shall at all times be open for inspection by the Appraiser Certification and Licensure Board

or its duly authorized representatives. The records shall be maintained by the appraiser for a period of not less than five years after the date of completion of the appraisal to which the record pertains or for a period of not less than two years after final disposition of a judicial proceeding in which testimony relating to the records was given, whichever period expires later. [1991 c.5 §17; 1995 c.234 §1; 2001 c.332 §2]

674.160 Reciprocal agreements with other states; procedures. (1) If the administrator of the Appraiser Certification and Licensure Board determines that the standards, qualifications and examinations for licensing, certifying or registration of real estate appraisers of another state are substantially similar to the standards, qualifications and examinations required under this chapter and the rules adopted pursuant thereto, the administrator with approval of the Appraiser Certification and Licensure Board may enter into a reciprocal agreement with such other state to issue without examination licenses or certificates upon proof of licensing or certification in such other state and upon payment of appropriate fees.

(2) Reciprocal agreements may be terminated by the administrator with approval of the Appraiser Certification and Licensure Board upon a determination that the other state is not maintaining and enforcing standards, qualifications and examinations substantially similar to those of this state. [1993 c.465 §4]

674.170 [1993 c.465 §5; repealed by 2005 c.730 §77]

APPRAISAL MANAGEMENT COMPANIES

674.200 Definitions for ORS 674.200 to 674.250. As used in ORS 674.200 to 674.250:

(1) "Appraisal" means the process of developing an opinion of the value of real property in conformance with commonly accepted standards for appraisers.

(2)(a) "Appraisal management company" means an external third party that:

(A) Oversees an appraisal panel of more than 15 appraisers in Oregon or at least 25 appraisers in the United States; and

(B) Is authorized by a client to:

(i) Recruit, select and retain appraisers;

(ii) Contract with appraisers to perform appraisal assignments;

(iii) Manage the process of having an appraisal performed, including providing administrative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to clients, collecting fees from clients for services

provided and reimbursing appraisers for services performed; or

(iv) Review and verify the work of appraisers.

(b) "Appraisal management company" does not include an entity that employs real estate appraisers exclusively as employees for the performance of real estate appraisal activity.

(3) "Appraisal management services" means the process of receiving a request for the performance of real estate appraisal activity from a client and, for a fee paid by the client, entering into an agreement with an independent contractor appraiser to perform the real estate appraisal activity contained in the request.

(4)(a) "Appraisal review" means the act or process of developing and communicating an opinion about the quality of the substantive aspects of another appraiser's work that was performed as part of an appraisal assignment.

(b) An "appraisal review" is not a quality control examination.

(5) "Appraiser" means a state certified appraiser or state licensed appraiser certified or licensed under ORS 674.310.

(6) "Appraiser panel" means a group of appraisers who have been selected by an appraisal management company to perform real estate appraisal activity for clients.

(7) "Client" means a person that engages an appraisal management company to perform appraisal management services.

(8) "Controlling person" means:

(a) An owner, officer or director of an appraisal management company;

(b) An individual authorized by an appraisal management company to enter into a contractual relationship with:

(A) A client for the performance of services requiring registration as an appraisal management company; and

(B) An appraiser for the performance of appraisals; or

(c) An individual who possesses, directly or indirectly, the power to direct the management or policies of an appraisal management company.

(9) "Independent contractor appraiser" means an appraiser who receives a fee for performing an appraisal, but who is not an employee of the person engaging the appraiser.

(10)(a) "Quality control examination" means an examination of an appraisal report for compliance and completeness in relation

to client specifications, including examination for grammatical or typographical errors.

(b) A “quality control examination” is not an appraisal review.

(11) “Real estate appraisal activity” means the activity described in ORS 674.100.

(12) “Uniform Standards of Professional Appraisal Practice” means the current standards of the appraisal profession, developed for appraisers and users of appraisal services by the Appraisal Standards Board of the Appraisal Foundation. [2010 c.87 §1; 2011 c.447 §8; 2013 c.272 §1]

Note: 674.200 to 674.250 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 674 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

674.205 Registration requirement; exceptions; list of registrants; renewal; rules. (1) A person may not directly or indirectly engage in or attempt to engage in business as an appraisal management company or advertise or represent that the entity is an appraisal management company unless the person is:

(a) Registered as an appraisal management company with the Appraiser Certification and Licensure Board; or

(b) An appraisal management company that is a subsidiary of and owned and controlled by a financial institution regulated by a federal financial institution regulatory agency, as that term is defined in ORS 674.010.

(2) A business entity may apply for registration as an appraisal management company on forms prescribed by rule by the board. The application must include:

(a) The name, address and phone contact information of the entity;

(b) The name, address and phone contact information of a controlling person of the entity;

(c) If the entity is not domiciled in this state, the name and phone contact information for the entity’s agent for service of process in this state;

(d) The name, address and phone contact information of any person that owns 10 percent or more of the entity;

(e) A certification that:

(A) The entity has a system to verify that each appraiser on the entity’s appraiser panel is licensed or certified under ORS 674.310;

(B) The entity requires an appraiser completing an appraisal at the entity’s request to confirm that the appraiser is competent to perform the appraisal assignment before accepting the assignment;

(C) The entity requires appraisers completing appraisals at the entity’s request to comply with the Uniform Standards of Professional Appraisal Practice;

(D) The entity has a system in place to require that appraisals are conducted independently and without inappropriate influence or coercion as required by the appraisal independence standards established under section 129E of the Truth in Lending Act; and

(E) The entity maintains and retains for at least five years, or as required under ORS 674.150, a detailed record of each appraisal management services request the entity receives and the appraiser who performs the real estate appraisal activity contained in the request;

(f) The surety bond, letter of credit or deposit required by ORS 674.210;

(g) Fees in an amount prescribed by rule by the board, which must be sufficient to cover the costs of administering ORS 674.200 to 674.250 and 674.995; and

(h) Any other information required by the board by rule.

(3) The board may not issue a registration to a business entity as an appraisal management company unless:

(a) Each individual who owns 10 percent or more of the entity and the controlling person identified by the entity in the application have completed a criminal records check; and

(b) The board determines that each individual who owns 10 percent or more of the entity and the controlling person identified by the entity in the application:

(A) Are of good moral character; and

(B) Have never had a license, certification or registration to act as an appraiser or appraisal management company refused, denied, canceled or revoked in this state or in any other state.

(4)(a) The board shall issue a unique registration number to each appraisal management company registered under this section.

(b) The board shall maintain a published list of appraisal management companies registered under this section.

(c) An appraisal management company registered under this section shall disclose the company’s registration number to each appraiser used by the company.

(5) An appraisal management company registration expires two years after the date of the issuance of the registration. The board shall adopt rules establishing the requirements for renewal or reactivation of a registration. The rules must require that an

appraisal management company provide all of the information and certifications required for an initial application for registration under subsection (2) of this section in the renewal application. [2010 c.87 §2; 2011 c.447 §9]

Note: See note under 674.200.

674.210 Surety bond. (1) An applicant for issuance or renewal of an appraisal management company registration shall file with the Appraiser Certification and Licensure Board a surety bond with one or more corporate sureties authorized to do business in this state, or an irrevocable letter of credit issued by an insured institution, as defined in ORS 706.008, in the amount of \$25,000.

(2) The surety bond or letter of credit required under subsection (1) of this section must:

(a) Be conditioned that the applicant pays:

(A) All amounts owing to persons who perform real estate appraisal activity for the appraisal management company; and

(B) All amounts adjudged against the appraisal management company by reason of negligent or improper real estate appraisal activity or appraisal management services or breach of contract in performing real estate appraisal activity or appraisal management services; and

(b) Require the surety company to provide written notice to the board by registered or certified mail:

(A) At least 30 days before the surety company cancels or revokes the bond; or

(B) When the surety company pays for a loss under the bond.

(3) In lieu of the surety bond or letter of credit required under subsection (1) of this section, the appraisal management company may file with the board, under the same terms and conditions as when a bond is filed, a deposit in cash or negotiable securities acceptable to the board.

(4) The surety bond, letter of credit or deposit required by this section must be continuously on file with the board in the amount of \$25,000 and is for the exclusive purpose of payment of the obligations listed in subsection (2) of this section. Upon termination or cancellation of the bond, withdrawal of the deposit or reduction of the bond, letter of credit or deposit to less than \$25,000, a registered appraisal management company shall:

(a) File a replacement bond, letter of credit or deposit within the time period established by the board by rule; or

(b) Surrender the company's registration to the board and cease operating as an appraisal management company.

(5) Any person damaged by an appraisal management company's failure to pay an obligation listed in subsection (2) of this section has a right of action under the bond. An action under the bond must be commenced within one year after the appraisal management company fails to pay the amount owing or the amount adjudged against the appraisal management company. [2010 c.87 §3; 2011 c.447 §10]

Note: See note under 674.200.

674.215 Audits; rules. (1) The Appraiser Certification and Licensure Board may adopt rules establishing a procedure for auditing an appraisal management company registered under ORS 674.205 to examine the appraisal management company's compliance with ORS 674.200 to 674.250.

(2) If an appraisal management company fails an audit, the board may impose a civil penalty under ORS 674.995. [2010 c.87 §4; 2011 c.447 §11]

Note: See note under 674.200.

674.220 Prohibited activities. (1) An appraisal management company or an employee, controlling person or agent of an appraisal management company may not:

(a) Attempt to influence the development or reporting of an appraisal or appraisal review through coercion, extortion, collusion, compensation, inducement, intimidation, bribery or any other manner, including but not limited to:

(A) Withholding or threatening to withhold timely payment for an appraisal;

(B) Withholding or threatening to withhold future business for an appraiser;

(C) Expressly or impliedly promising future business, promotions or increased compensation for an appraiser;

(D) Conditioning the ordering of an appraisal report or any payment on the opinion, conclusion or valuation to be reached, or on a preliminary estimate or opinion requested from an appraiser;

(E) Requesting that an appraiser provide an estimated, predetermined or desired valuation in an appraisal report, or provide estimated values or comparable sales at any time prior to the appraiser's completion of real estate appraisal activity;

(F) Providing to an appraiser an anticipated, estimated, encouraged or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for a purchase transaction may be provided; or

(G) Providing to an appraiser, or any entity or individual related to the appraiser, stock or other financial or nonfinancial benefits;

(b) Require an appraiser to accept an appraisal assignment if the appraiser has notified the company that the appraiser declines the assignment because the assignment must be completed within a time frame that the appraiser, in the appraiser's professional judgment, believes does not afford the appraiser the ability to meet the appraiser's legal and professional obligations;

(c) Require an appraiser to accept an appraisal assignment if the appraiser has notified the company that the appraiser declines the assignment because, in the appraiser's professional judgment, the appraiser does not have the necessary expertise for the assignment;

(d) Prohibit lawful communications between the appraiser and any other person who the appraiser, in the appraiser's professional judgment, believes possesses information that would be relevant;

(e) Knowingly require an appraiser to take any action that does not comply with the provisions of ORS chapter 674, the rules of the Appraiser Certification and Licensure Board or any assignment conditions and certifications required by the client for whom an appraisal is being performed;

(f) Require an appraiser to indemnify the appraisal management company or any other party against liability, damages, losses or claims that arise out of any act or conduct of the appraisal management company or that do not arise out of the services performed by the appraiser;

(g) Prohibit an appraiser from reporting the fee paid to the appraiser in the appraisal report;

(h) Allow a person to perform an appraisal review relating to a property located in this state if the person is not an appraiser with the licensure required to perform the appraisal review;

(i) Substantively alter in any way a completed appraisal report submitted by an appraiser; or

(j) Except within the first 90 days after an appraiser is added to the company's appraiser panel, remove the appraiser from the appraiser panel without prior written notice to the appraiser, including notice of evidence of the reason for removal.

(2) An appraisal management company may request, on behalf of and with the approval of a financial institution at the request of a consumer, that an appraiser:

(a) Provide additional information about the basis for the valuation;

(b) Correct objective factual errors in a completed appraisal report; or

(c) Consider the prices of other comparable properties. [2010 c.87 §5; 2011 c.447 §12]

Note: See note under 674.200.

674.225 Payment to independent contractor appraiser. Except in the case of breach of contract or substandard performance of real estate appraisal activity, an appraisal management company shall make payment to an independent contractor appraiser for the completion of an appraisal or appraisal review assignment:

(1) Within 45 days after the appraiser provides the completed appraisal report to the appraisal management company; or

(2) In accordance with another payment schedule agreed to by the appraiser and the appraisal management company. [2010 c.87 §6; 2011 c.447 §13; 2013 c.364 §1]

Note: See note under 674.200.

674.230 Forwarding of complaints; rules. The Appraiser Certification and Licensure Board shall adopt rules requiring an appraisal management company to forward a complaint from a person with an interest in a real estate transaction for which an appraisal was arranged by the appraisal management company to the client that requested the appraisal. [2010 c.87 §7; 2011 c.447 §14]

Note: See note under 674.200.

674.235 Denial, suspension and revocation of registration. The Appraiser Certification and Licensure Board may deny registration or renewal of registration to an appraisal management company or suspend or revoke an appraisal management company registration for a violation of ORS 674.200 to 674.250, or of rules adopted by the board. [2010 c.87 §8; 2011 c.447 §15]

Note: See note under 674.200.

674.240 Duty to report unethical or unprofessional conduct. Any employee of an appraisal management company who has reasonable basis to believe that an appraiser has failed to comply with the Uniform Standards of Professional Appraisal Practice, is violating the law or is otherwise engaging in unethical or unprofessional conduct, shall notify the Appraiser Certification and Licensure Board if the appraiser's conduct is likely to have a material effect on the value assigned to the real estate being appraised. [2011 c.447 §17]

Note: See note under 674.200.

674.245 Documentation of training; rules. The Appraiser Certification and Licensure Board shall adopt rules requiring an appraisal management company to provide

documentation to the board showing that the appraisal management company provides training, in accordance with rules adopted by the board, to employees of the appraisal management company who:

- (1) Select appraisers for an appraiser panel;
- (2) Select appraisers to perform real estate activity; or
- (3) Perform quality control examinations. [2011 c.447 §18]

Note: See note under 674.200.

674.250 Fees. (1) The Appraiser Certification and Licensure Board shall establish by rule fees for appraisal management companies, including but not limited to fees for:

- (a) Application for registration.
- (b) Registration.
- (c) Renewal of registration.
- (d) Duplicate registration.
- (e) Renewal of inactive registration.
- (f) Reactivation of inactive registration.
- (g) Late renewal of registration.
- (h) Inactive status.
- (i) Annual appraisal management company registry fees in an amount determined by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council as set forth in federal law.

(2) All moneys collected or received by the board pursuant to this section shall be paid into the account created by the board under ORS 182.470. [2011 c.447 §19]

Note: See note under 674.200.

BOARD

674.305 Appraiser Certification and Licensure Board; appointment; term; compensation; conduct of business; rules.

(1) The Appraiser Certification and Licensure Board is established. The board shall operate as a semi-independent state agency subject to ORS 182.456 to 182.472 for purposes of carrying out the provisions of this chapter. The board shall consist of eight members. The members shall be appointed by the Governor and must be residents of this state.

(2) The board shall be composed of:

- (a) Five appraisers certified or licensed under ORS 674.310;
- (b) One individual who is employed by a financial institution or a mortgage banker;
- (c) One member who represents appraisal management companies registered under ORS 674.205; and
- (d) One individual who is a public member and who:

(A) Is not engaged in professional real estate activity;

(B) Is not a state certified or state licensed appraiser;

(C) Is not employed by a financial institution or a mortgage banker; and

(D) Does not have a direct financial interest in any person who is required, or whose employees or agents are required, to be state licensed or state certified appraisers.

(3) The term of office of each member is four years with two terms maximum, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on July 1 next following. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term. A member may not be appointed to serve more than two consecutive terms on the board.

(4) The board shall select one of its members as chairperson and another as vice chairperson, for such terms and with duties and powers necessary for the performance of the functions of such offices as the board determines.

(5) A majority of the members of the board constitutes a quorum for the transaction of business.

(6) The board shall meet at least once every three months at a place, day and hour determined by the board. The board also shall meet at other times and places specified by the call of the chairperson or of a majority of the members of the board.

(7) In accordance with applicable provisions of ORS chapter 183, the board shall adopt rules necessary for the administration of this chapter.

(8) The appointment of a member of the board is subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565. [1991 c.5 §4; 1993 c.18 §146; 1993 c.744 §219; 2001 c.521 §11; 2005 c.109 §4; 2011 c.447 §22]

674.310 Duties and powers of board; rules. (1) The Appraiser Certification and Licensure Board shall:

- (a) Have the power to do all things necessary and convenient to carry into effect the provisions of this chapter, ORS 674.200 to 674.250 and the federal Act and to regulate the activities of state licensed appraisers, state certified appraisers, state registered appraiser assistants and appraisal management companies to ensure that real estate appraisals conform to the law in effect on the date of the real estate appraisal activity.

(b) Certify or license appraisers and register appraiser assistants as necessary to carry out the federal Act and the purposes set forth in ORS 674.020.

(c) Register appraisal management companies under ORS 674.200 to 674.250.

(d) Supervise the activities of state certified appraisers, state licensed appraisers, state registered appraiser assistants and appraisal management companies as provided in this chapter and ORS 674.200 to 674.250, to ensure that they perform real estate appraisal activity in strict conformance with the provisions of this chapter and of the federal Act, and that they otherwise comply with the provisions of this chapter and ORS 674.200 to 674.250 in the conduct of their professional activities.

(e) Establish, keep current and, no less than annually, transmit to the Appraisal Subcommittee a roster listing state certified appraisers and state licensed appraisers.

(f) Collect and remit fees as required under ORS 674.250 and 674.330.

(2) Rules adopted by the Appraiser Certification and Licensure Board to govern real estate appraiser certification and licensure shall conform with the requirements of the federal Act. The board shall adopt rules including but not limited to:

(a) Establishing programs for the certification, licensure or registration of individuals who engage in real estate appraisal activity.

(b) Establishing educational requirements for certification or licensure of appraisers and for the registration of appraiser assistants that ensure protection of the public interest and comply with the requirements of the federal Act. Education requirements for state licensed appraisers and state certified appraisers must meet the minimum criteria established by the Appraiser Qualification Board of the Appraisal Foundation.

(c) Establishing a professional code of responsibility for state certified appraisers and state licensed appraisers that is in conformance with the federal Act.

(d) Providing for registration of out-of-state appraisers as provided for under ORS 674.120.

(3) An individual may not be a state licensed appraiser or a state certified appraiser unless the individual has achieved a passing grade upon a suitable examination equivalent to the Uniform Certification Examination issued or endorsed by the Appraisal Qualification Board of the Appraisal Foundation.

(4) The Appraiser Certification and Licensure Board, acting through the admin-

istrator, may issue subpoenas to compel the attendance of witnesses and the production of papers, books, records, correspondence, agreements, memoranda and other material or relevant documents in investigations or proceedings pertaining to the powers and duties of the board.

(5) In the case of a person who refuses to respond to a subpoena issued by the Appraiser Certification and Licensure Board, the judge of the circuit court, on the application of the board administrator, shall order compliance with the board subpoena in the same manner as a proceeding for contempt for failure to respond to a subpoena of the court. [1991 c.5 §6; 1993 c.744 §220; 1997 c.417 §3; 2001 c.521 §12; 2005 c.254 §6; 2011 c.447 §23]

674.320 Continuing authority of board.

The lapsing or suspension of a certificate, license or registration by operation of law, by order of the Appraiser Certification and Licensure Board, by decision of a court of law or by the voluntary surrender of a certificate, license or registration by an appraiser or appraiser assistant does not deprive the board of jurisdiction to proceed with any investigation of or any action or disciplinary proceedings against the appraiser or appraiser assistant, or to revise or render null and void an order suspending or revoking the certificate, license or registration. [1991 c.5 §15; 2005 c.254 §7]

674.330 Fees; rules. (1) The Appraiser Certification and Licensure Board shall collect from each state certified appraiser and each state licensed appraiser an annual registry fee as required by the federal Act and in an amount determined by the Appraisal Subcommittee. All annual registry fees collected by the board under this subsection shall be remitted to the Federal Financial Institutions Examination Council in accordance with the federal Act.

(2) Except as provided in subsection (1) of this section and in addition to any fees required by subsection (1) of this section, the board may establish by rule fees to be charged and collected under this chapter. The fees established by the board may include, but need not be limited to, fees:

(a) For each certification or licensure examination administered under ORS 674.310.

(b) For each certificate or license awarded or issued under ORS 674.310.

(c) For each renewal of a certificate or license awarded or issued under ORS 674.310.

(d) For each duplicate certificate or license, where the original license is lost or destroyed and affidavit made thereof.

(e) For the renewal of an inactive certificate or license.

(f) For the reactivation of an inactive certificate or license.

(g) For late renewal, in addition to the renewal fee.

(h) For a temporary registration provided for under ORS 674.120.

(i) For each application.

(j) For inactive status.

(k) For each walk-in examination.

(L) For each appraiser assistant registration.

(m) For each appraiser assistant renewal. [1991 c.5 §10; 1993 c.89 §1; 1993 c.465 §7; 2005 c.109 §5]

674.340 Board funds; Federal Registry Fund. (1) All moneys, fees and charges collected or received by the Appraiser Certification and Licensure Board pursuant to ORS 674.330 shall be paid into the account created by the board under ORS 182.470. All moneys in the account are appropriated continuously to the board to carry out the duties that the board is charged with administering.

(2) The Federal Registry Fund is established in the account created by the board under ORS 182.470. Proceeds received under ORS 674.330 (1) shall be deposited in the Federal Registry Fund. The moneys in the Federal Registry Fund shall be used solely as set forth in ORS 674.330 (1). [1991 c.5 §11; 1993 c.744 §222; 2001 c.521 §13; 2005 c.109 §6]

674.343 [2001 c.521 §1; 2003 c.14 §428; repealed by 2005 c.109 §9]

674.346 [2001 c.521 §2; repealed by 2005 c.109 §9]

674.349 [2001 c.521 §3; 2003 c.794 §316; repealed by 2005 c.109 §9]

674.352 [2001 c.521 §4; repealed by 2005 c.109 §9]

674.355 [2001 c.521 §5; repealed by 2005 c.109 §9]

674.358 [2001 c.521 §6; 2003 c.794 §317; repealed by 2005 c.109 §9]

674.361 [2001 c.521 §7; repealed by 2005 c.109 §9]

674.364 [2001 c.521 §8; 2003 c.405 §9; repealed by 2005 c.109 §9]

674.367 [2001 c.521 §9; repealed by 2005 c.109 §9]

MISCELLANEOUS

674.405 Adjustments to appraisal not required based on form of conveyance. A person engaging in or carrying on real estate appraisal activity shall not be required to make adjustments to otherwise comparable sales solely on the basis of the form of the conveyance. [1993 c.41 §2]

674.410 Written report required to present testimony on appraisal. A person shall not testify or otherwise present evidence regarding an appraisal or appraisal report in a proceeding under ORS 183.413 to 183.497, a circuit court action or otherwise before a lawfully established board or commission unless the person has prepared a

written report on the appraisal or appraisal report prior to presenting testimony or evidence. [1997 c.417 §7]

PENALTIES

674.850 Civil penalties. (1) The Appraiser Certification and Licensure Board may impose a civil penalty, not to exceed \$500 for each violation, on a person who violates a provision of ORS 674.130 to 674.150 or a rule or final order of the board or a judgment made by a court upon application of the board.

(2) The board may impose a civil penalty on a person who violates ORS 674.100 (1) in an amount that is:

(a) Not less than \$100 and not more than \$500 for the first violation; and

(b) Not less than \$500 and not more than \$1,000 for a subsequent violation.

(3) In addition to the civil penalties set forth in subsection (2) of this section, the board may impose a civil penalty on a person who violates ORS 674.100 (1) in an amount that does not exceed the amount by which the person profited in the transaction in violation of ORS 674.100 (1).

(4) The board shall impose civil penalties under this section in the manner provided in ORS 183.745.

(5)(a) The provisions of this section are in addition to and not in lieu of other enforcement provisions contained in ORS 674.140 and 674.310.

(b) The civil penalty provisions of subsections (2) and (3) of this section are in addition to and not in lieu of the criminal penalties for uncertified, unlicensed or unregistered real estate appraisal activity in ORS 674.990.

(6) The remedies provided in this section are in addition to and not exclusive of other remedies provided by law. [1991 c.5 §§13,14; 1993 c.744 §223; 2003 c.576 §541; 2005 c.109 §7; 2005 c.254 §9a]

674.990 Criminal penalties. (1) Violation of ORS 674.100 (1) is a Class A misdemeanor.

(2) An officer, director, shareholder or agent of a corporation, or member or agent of a partnership or association, who personally participates in or is an accessory to a violation of ORS 674.100 (1) by the partnership, association or corporation, is subject to subsection (1) of this section. [1991 c.5 §16; 1997 c.417 §4; 2005 c.109 §8; 2005 c.254 §10a]

674.995 Civil penalties for violation of ORS 674.200 to 674.250. (1) In accordance with ORS chapter 183, the Appraiser Certification and Licensure Board may impose a civil penalty, not to exceed \$15,000 for each violation, on a person who violates a provision of ORS 674.200 to 674.250 or any rule

adopted by the board under ORS 674.200 to 674.250.

(2) The civil penalty under this section is in addition to and not in lieu of any other penalty or sanction provided by law. [2010 c.87 §9; 2011 c.447 §20]

Note: 674.995 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 674 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.
