CONFIDENTIAL
DRAFT: March 1, 2016

FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL

[Docket No. AS00-00]

Appraisal Subcommittee; Notice of Proposed Rulemaking to Implement Collection and Transmission of Annual AMC Registry Fees

AGENCY: Appraisal Subcommittee of the Federal Financial Institutions Examination Council

ACTION: Notice of proposed rulemaking.

SUMMARY: The Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC) is proposing a rule pursuant to authority granted in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act)[1] to implement collection and transmission of appraisal management company (AMC) annual registry fees by State appraiser certifying and licensing agencies[2] that elect to register and supervise AMCs, pursuant to 12 U.S.C. 3353 and the regulations promulgated thereunder. The ASC requests comment on all aspects of this Notice.

DATES: Comments must be received on or before [60 DAYS FROM DATE OF PUBLICATION in the FEDERAL REGISTER].

ADDRESSES: Commenters are encouraged to submit comments by the Federal eRulemaking Portal or email, if possible. You may submit comments, identified by [INSERT DOCKET # AND RIN #] by any of the following methods:

[1] Public Law 111-203, 124 Stat. 1376.
[2] As of January, 2016, the 50 States, the District of Columbia, and four Territories, which are the Commonwealth of Puerto Rico, Commonwealth of the Northern Mariana Islands, Guam, and United States Virgin Islands, had State appraiser certifying and licensing agencies.

- *Federal eRulemaking Portal:* *http://www.regulations.gov*. Follow the instructions for submitting comments. Click on the "Help" tab on the Regulations.gov home page to get information on using Regulations.gov, including instructions for submitting public comments.

- *E-Mail:* *webmaster@asc.gov*. Include the docket number in the subject line of the message.

- *Fax:* (202) 289-4101. Include docket number on fax cover sheet.

- *Mail:* Address to Appraisal Subcommittee, Attn: Lori Schuster, Management and Program Analyst, 1401 H Street NW, Suite 760, Washington, DC 20005.

- *Hand Delivery/Courier:* 1401 H Street NW, Suite 760, Washington, DC 20005.

In general, the ASC will enter all comments received into the docket and publish those comments on the Regulations.gov website without change, including any business or personal information that you provide, such as name and address information, email addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not enclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure. At the close of the comment period, all public comments will also be made available on the ASC's website at https://www.asc.gov (follow link in "What's New") as submitted, unless modified for technical reasons.

You may review comments and other related materials that pertain to this rulemaking action by any of the following methods:

- Viewing Comments Electronically: Go to *http://www.regulations.gov*. Enter "Docket ID [docket number]" in the Search box and click "Search." Click on the "Help" tab on the Regulations.gov home page to get information on using Regulations.gov, including instructions for viewing public comments, viewing other supporting and related materials, and viewing the docket after the close of the comment period.

- Viewing Comments Personally: You may personally inspect comments at the ASC office, 1401 H Street NW, Suite 760, Washington, DC 20005. To make an appointment, please call Lori Schuster at (202) 595-7578.

FOR FURTHER INFORMATION CONTACT:

James R. Park, Executive Director, at (202) 595-7575, or Alice M. Ritter, General Counsel, at (202) 595-7577, Appraisal Subcommittee, 1401 H Street NW., Suite 760, Washington, DC 20005.

SUPPLEMENTARY INFORMATION:

I. Background

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (Title XI),[3] established the ASC.[4] Title XI's purpose is to "provide that Federal

[3] Public Law 101-73, 103 Stat. 183; 12 U.S.C. 3331-3355.
[4] The ASC Board is comprised of seven members. Five members are designated by the heads of the FFIEC agencies (Board of Governors of the Federal Reserve System, Consumer Financial Protection Bureau, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, and National Credit Union Administration). The other two members are designated by the heads of the Department of Housing and Urban Development and the Federal Housing Finance Agency.

financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision."[5]

On July 21, 2010, the Dodd-Frank Act was signed into law. Section 1473 of the Dodd-Frank Act included amendments to Title XI. Section 1117 of Title XI, *Establishment of State appraiser certifying and licensing agencies*, was amended by the Dodd-Frank Act to: (1) authorize States, if they so choose, to register and supervise AMCs; and (2) allow States to add information about AMCs in their State to the National Registry of AMCs (AMC Registry). States electing to register and supervise AMCs must implement minimum requirements in accordance with the AMC Rule.[6]

Title XI as amended by the Dodd-Frank Act imposes a statutory restriction that applies 36 months from the effective date of the AMC Rule (Implementation Period).[7] In summary, beginning 36 months from the effective date of the AMC Rule, an AMC that meets the Federal statutory size threshold may not provide services for a Federally related transaction in a State unless the AMC is registered with the State or is subject to oversight by a Federal financial institutions regulatory agency. The ASC recognizes that the time required for notice and comment rulemaking for AMC registry fees could impede States' ability to implement those fees

[5] Title XI § 1101, 12 U.S.C. § 3331.
[6] The Dodd-Frank Act added section 1124 to Title XI, *Appraisal Management Company Minimum Requirements*, which required the Office of the Comptroller of the Currency; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; National Credit Union Administration; Bureau of Consumer Financial Protection; and Federal Housing Finance Agency to establish, by rule, minimum requirements for State registration and supervision of AMCs. The Agencies issued a final rule (AMC Rule) with an effective date of August 10, 2015. (80 *Federal Register* 32658, June 9, 2015).
[7] 12 U.S.C. 3353(f)(1).

within the Implementation Period. However, because the statutory provision concerning State registration and supervision of AMCs, 12 U.S.C. 3346, is separate from the statutory provision concerning AMC registry fees, 12 U.S.C. 3338, these statutory provisions are not dependent on each other for enforcement. Therefore, a State that elects to register and supervise AMCs will not be adversely affected by the 36-month statutory implementation period, regardless of whether the State has been unable to implement AMC registry fees within this timeframe.

Section 1103 of Title XI, *Functions of Appraisal Subcommittee*, was amended by the Dodd-Frank Act to require the ASC to maintain the AMC Registry of AMCs that are either: (1) registered with and subject to supervision by a State that has elected to register and supervise AMCs; or (2) supervised by a Federal financial institutions regulator (Federally regulated AMCs).[8] It is anticipated that on or before the effective date of this rule, the ASC will issue an ASC Bulletin to States that will address:

1. When the AMC Registry will be open for States; and
2. Reporting requirements (information required to be submitted by States in order to register AMCs on the AMC Registry).

[8] Federally regulated AMCs are not restricted by statute from operating in States that do not register and supervise AMCs. However, the statutory requirement for collection and transmission of annual AMC registry fees only applies to States that elect to register and supervise AMCs. As a result, Federally regulated AMCs operating in a State that does not have an AMC program would be excluded from the opportunity to appear on the AMC Registry, as there would not be a State program for the Federally regulated AMC to report to and pay the AMC registry fee. The Agencies consulted with the ASC regarding the proposal to give Federally regulated AMCs the alternative to report directly to the ASC as part of the AMC Rule. However due to operational concerns raised by the ASC, the Agencies removed the alternative from the AMC Rule and committed to continue monitoring the issue. In an effort to address the issue, Federally regulated AMCs operating in a State that does not have an AMC program may voluntarily report information required to be on the AMC Registry and pay the AMC registry fee directly to the ASC on an annual basis.

Only those companies that meet the Federal definition of AMC will be eligible to be on the AMC Registry.[9]

Section 1109 of Title XI, *Roster of State certified or licensed appraisers; authority to collect and transmit fees*, was amended by the Dodd-Frank Act to require States that elect to register and supervise AMCs to collect: (1) from AMCs that have been in existence for more than a year an annual registry fee of $25 multiplied by the number of appraisers working for or contracting with such AMC in such State during the previous year; and (2) from AMCs that have not been in existence for more than a year, $25 multiplied by an appropriate number to be determined by the ASC.[10] The $25 may be adjusted, up to a maximum of $50, at the discretion of the ASC, if necessary to carry out the ASC's Title XI functions.[11]

This proposed rule would set the annual AMC registry fee that States that elect to register and supervise AMCs would collect and transmit to the ASC. This proposed rule also interprets the phrase "working for or contracting with" for calculation of annual AMC registry fees.

II. The Proposed Rule

The ASC is issuing this proposal to implement Section 1109 of Title XI for collection and transmission of AMC registry fees by those States electing to register and supervise AMCs.[12] The proposed rule would establish the annual AMC registry fee and interpret the phrase

[9] Title XI as amended by the Dodd-Frank Act defines "appraisal management company" to mean, in part, an external third party that that oversees a network or panel of more than 15 appraisers (State certified or licensed) in a State, or 25 or more appraisers nationally (two or more States) within a given year. (12 U.S.C. 3350(11)). Title XI as amended by the Dodd-Frank Act also allows States to adopt requirements in addition to those in the AMC Rule. (12 U.S.C. 3353(b)). For example, States may decide to supervise entities that provide appraisal management services, but do not meet the size thresholds of the Title XI definition of AMC. Even if a State has a more expansive definition of AMCs than the Federal regulatory framework that covers entities that provide appraisal management services but do not meet the Title XI definition of AMC, the State should only submit information regarding AMCs meeting the Title XI definition to the AMC Registry.
[10] 12 U.S.C. 3338(a)(4)(B).
[11] *Id.*
[12] *Id.*

"working for or contracting with" in accordance with section 1109 as amended by the Dodd-Frank Act. As with appraisers, an AMC operating in more than one State that elects to register and supervise AMCs would be required to pay a registry fee in each State in order to be on the AMC Registry for each of those States.

Definitions

AMC Registry. Proposed § 1102.401(c) proposes to define *AMC Registry* as the national registry maintained by the ASC of those AMCs that meet the Federal definition of AMC, as defined in 12 U.S.C. 3350(11), are registered by a State or are Federally regulated, and have paid the annual AMC registry fee.

AMC Rule. Proposed § 1102.401(a) proposes to define *AMC Rule* as the interagency final rule on minimum requirements for AMCs, 12 C.F.R. 34.210 – 34.216; 12 C.F.R. 225.190 – 225.196; 12 C.F.R. 323.8 -323.14; 12 C.F.R. 1222.20 – 1222.26 (2015).

ASC. Proposed § 1102.401(b) proposes to define *ASC* as the Appraisal Subcommittee of the Federal Financial Institutions Examination Council established under section 1102 (12 U.S.C. 3310) as it amended the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3301 *et seq*.) by adding section 1011.

State. Proposed § 1102.401(d) proposes to define *State* as any State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the United States Virgin Islands, and American Samoa.

Other terms. Proposed § 1102.401(e) states that the definitions of: *appraisal management company (AMC); appraisal management services; appraiser panel; consumer credit; covered transaction; dwelling; Federally regulated AMC* are incorporated from the AMC Rule by reference because the proposed rule is closely related to the AMC Rule.

Establishing the Annual AMC Registry Fee. Proposed § 1102.402 establishes the annual AMC registry fee for States that elect to register and supervise AMCs as follows: (1) in the case of an AMC that has been in existence for more than a year, $25 multiplied by the number of appraisers who have performed an appraisal assignment for the AMC on a covered transaction in such State during the previous year; and (2) in the case of an AMC that has not been in existence for more than a year, $25 multiplied by the number of appraisers who have performed an appraisal assignment for the AMC on a covered transaction in such State since the AMC commenced doing business. Performance of an appraisal assignment means that the assignment is completed during the previous year.

For AMCs that have been in existence for more than a year, Section 1109 of Title XI provides that the annual AMC registry fee is based on the number of appraisers "working for or contracting with" an AMC in a State during a 12-month period multiplied by $25 up to a maximum of $50.[13] The proposed rule adopts the minimum factor of $25 as set by statute and interprets the phrase "working for or contracting with" to mean those appraisers on an AMC appraiser panel that actually performed (completed) an appraisal assignment for the AMC on a covered transaction[14] during the previous year in a particular State. The annual AMC registry fee for AMCs that have not been in existence for more than a year requires a determination by the ASC of an appropriate multiplier. The ASC proposes to use the same multiplying factors, but the fee would be calculated based on the period of time since the AMC commenced doing business rather than 12 months.

[13] Title XI § 1109(a)(4)(B), 12 U.S.C. 3338(a)(4)(B).
[14] Consistent with the AMC Rule, the determination of performing an appraisal assignment is proposed to be based on "covered transactions" rather than "Federally related transactions."

The ASC considered two options for interpreting the phrase "working for or contracting with." The first option interpreted the phrase "working for or contracting with" to include every appraiser on an AMC appraiser panel during a 12-month period in a particular State. The multiplier in this option would have included all appraisers on an AMC's appraiser panel in a particular State, including appraisers accepted by the AMC for consideration for future appraisal assignments. The second and preferred option as set forth in the proposed rule, interpreted the phrase "working for or contracting with" to include those appraisers engaged by the AMC to actually perform one or more appraisal assignments for a covered transaction in a particular State during the previous 12-month period. The multiplier in this option would exclude appraisers accepted by the AMC for consideration for future appraisal assignments as well as appraisers who performed appraisal assignments in the past, but did not perform any assignments in the previous year. The ASC believes the second and preferred option imposes the minimum fee allowed under the statutory provisions of section 1109, and therefore imposes the least burden on AMCs. Based on the ASC's anticipated costs of overseeing States that elect to register and supervise AMCs, as well as the ASC's anticipated costs of maintaining the AMC Registry, the ASC believes the proposed annual AMC registry fee would adequately cover those costs while supporting other Title XI functions of the ASC as mandated by Congress, including further development of its grant programs, particularly for States.

Question 1. The ASC requests comment on all aspects of the proposed annual AMC registry fee.

Question 2. The ASC requests comment on the ASC's interpretation of the phrase "working for or contracting with."

Collection and transmission of annual AMC registry fees. Proposed § 1102.403 implements collection and transmission of annual AMC registry fees for States that elect to register and supervise AMCs following the statutory scheme set forth in section 1109 as amended by the Dodd-Frank Act. The proposed rule would require AMC registry fees to be collected and transmitted to the ASC on an annual basis by States that elect to register and supervise AMCs. Only those AMCs whose registry fees have been transmitted to the ASC would be eligible to be on the AMC Registry for the 12-month period following the payment of the fee.

Under the proposed rule, States would have the flexibility to align a one-year period with any 12-month period, which may or may not be based on the calendar year. Just as many States do not use a calendar year for their existing appraiser credentialing process, the ASC believes that allowing States to set the 12-month period provides appropriate flexibility and will help States comply with the collection and transmission of AMC fees and reduce regulatory burden for State governments. The registration cycle would be left to the individual States to determine, but note that the statutory requirement in section 1109(a)(4) requires States to submit AMC registry fees to the ASC annually.

According to the AMC Rule, Federally regulated AMCs must report to the State or States in which they operate the information required to be submitted by the State pursuant to the ASC's policies, including: (i) information regarding the determination of the AMC registry fee; and (ii) information required by the AMC Rule. [15]

[15] According to the AMC Rule, States are not required to identify Federally regulated AMCs operating in their States; nor are they responsible for supervising or enforcing a Federally regulated AMC's compliance with information submission requirements. States are also not required to assess whether any licensing issues exist in that State concerning an owner of a Federally regulated AMC that may disqualify the AMC from being on the National Registry of AMCs. Rather, Federally regulated AMCs are subject to oversight by the Federal financial institutions regulators that supervise the financial institution that owns and controls the AMC. The AMC Rule does not bar a State from collecting a fee from Federally regulated AMCs to offset the cost of collecting the AMC registry fee and the information related to the fee.

Question 3. The ASC requests comment on all aspects of proposed collection and transmission of annual AMC registry fees.

III. Request for Comment

The ASC requests comment on all aspects of this proposed rule, including specific requests for comment that appear throughout the Supplementary Information above. In addition, the ASC requests comments on the following questions:

Question 4. What barriers, if any, exist that make it difficult for a State to implement the collection and transmission of AMC registry fees?

Question 5. What costs (both direct in terms of fees and indirect in terms of administrative costs) are associated with collection and transmission of AMC registry fees?

Question 6. What aspects of the proposed rule, if any, will be challenging for States to implement? To the extent such challenges exist, what alternative approaches do commenters suggest that would make implementation easier, while maintaining consistency with the statute?

IV. Regulatory Analysis

Paperwork Reduction Act

Certain provisions of the proposed rule contain "information collection" requirements within the meaning of the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501 *et seq.*). Under the PRA, the ASC may not conduct or sponsor, and, notwithstanding any other provision of law, a person is not required to respond to, an information collection unless the information collection displays a valid Office of Management and Budget (OMB) control number. The information collection requirements contained in this proposed rule are being submitted to OMB for review and approval at the proposed rule stage by the ASC pursuant to section 3506 of the PRA and

section 1320.11 of the OMB's implementing regulations (5 CFR part 1320). The collection of information requirements in the proposed rule are found in §§ 1102.400-1102.403. This information is required to implement section 1473 of the Dodd-Frank Act.

Title of Information Collection: Collection and Transmission of Annual AMC Registry Fees.

OMB Control Nos.: The ASC will be seeking new control numbers for these collections.

Frequency of Response: Event generated.

Affected Public: States; businesses or other for-profit and not-for-profit organizations.

Abstract

State Recordkeeping Requirements

States that elect to register and supervise AMCs must collect and transmit annual AMC registry fees to the ASC. Section 1102.402 establishes the annual AMC registry fee for States that elect to register and supervise AMCs as follows: (1) in the case of an AMC that has been in existence for more than a year, $25 multiplied by the number of appraisers who have performed an appraisal assignment for the AMC on a covered transaction in such State during the previous year; and (2) in the case of an AMC that has not been in existence for more than a year, $25 multiplied by the number of appraisers who have performed an appraisal assignment for the AMC on a covered transaction in such State since the AMC commenced doing business. Performance of an appraisal assignment means that the assignment is completed during the previous year.

Section 1102.403 requires AMC registry fees to be collected and transmitted to the ASC on an annual basis by States that elect to register and supervise AMCs. Only those AMCs whose registry fees have been transmitted to the ASC would be eligible to be on the AMC Registry for the 12-month period following the payment of the fee. Section 1102.403 clarifies that States

may align a one-year period with any 12-month period, which may, or may not, be based on the calendar year. The registration cycle is left to the individual States to determine.

State Reporting Burden

Section 1103 of Title XI, *Functions of Appraisal Subcommittee*, was amended by the Dodd-Frank Act to require the ASC to maintain a registry of AMCs that are either: (1) registered with and subject to supervision by a State; or (2) Federally regulated AMCs. It is anticipated that on or before the effective date of this rule, the ASC will issue an ASC Bulletin to States that will address:

1. When the AMC Registry will be open for States; and
2. Reporting requirements (information required to be submitted by States in order to register AMCs on the AMC Registry).

Burden Estimates:

Total Number of Respondents: 500 AMCs, 55 States.

Burden Total: 500 hours.

The ASC has a continuing interest in public opinion regarding the ASC's collection of information. Comments regarding the questions set forth below may be sent to the OMB desk officer for the ASC by mail to U.S. Office of Management and Budget, Office of Information and Regulatory Affairs, Washington DC 20503, or by the Internet to *oira_submission@omb.eop.gov*, with copies to the ASC at the address listed in the **ADDRESSES** section of this **SUPPLEMENTARY INFORMATION.**

(a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility;

(b) The accuracy of the agency's estimate of the burden of the collection of information;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(d) Ways to minimize the burden of the collection on respondents, including through the use of automated collection techniques or other forms of information technology.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA), 5 U.S.C. 601 *et seq*., generally requires that, in connection with a notice of proposed rulemaking, an agency prepare and make available for public comment a regulatory flexibility analysis that describes the impact of the proposed rule on small entities. However, the regulatory flexibility analysis otherwise required under the RFA is not required if an agency certifies that the proposed rule will not have a significant economic impact on a substantial number of small entities and publishes its certification and a brief explanatory statement in the *Federal Register* together with the proposed rule. Based on its analysis, and for the reasons stated below, the ASC believes that the proposed rule will not have a significant economic impact on a substantial number of small entities.

Section 1109 of Title XI provides that the annual AMC registry fee is based on the number of appraisers "working for or contracting with" an AMC in a State during a 12-month period multiplied by $25 up to a maximum of $50. The proposed rule adopts the minimum factor of $25 as set by statute and interprets the phrase "working for or contracting with" to mean those appraisers on an AMC appraiser panel that actually performed an appraisal assignment for the AMC on a covered transaction during the previous year. The ASC proposes to use the same multiplying factors for both AMCs that have been in existence for a year as for those that have not. The ASC believes the proposed rule imposes the minimum fee allowed under the statutory provisions of section 1109, and therefore imposes the least burden on AMCs.

The proposed rule applies to collection and transmission of annual AMC registry fees by those States that elect to establish licensing and certifying authorities to regulate AMCs. In the ASC's regulatory flexibility analysis for this proposed rule, the ASC determined that the proposed rule does not impose directly any significant new recordkeeping, reporting, or compliance requirements on small entities. The proposed rule requires States that elect to register and supervise AMCs to collect and transmit to the ASC annual AMC registry fees from AMCs eligible to be on the AMC Registry maintained by the ASC. Generally, the RFA requires an agency to perform a regulatory flexibility analysis of small entity impacts only when the agency's rule directly regulates the small entities. The ASC's statutory oversight extends to State appraiser regulatory programs, and this proposed rule would implement collection and transmission of the annual AMC registry fee by States that elect to register and supervise AMCs following the statutory scheme set forth in section 1473 of the Dodd-Frank Act.

Based on its analysis, and for the reasons stated above, the ASC believes that the proposed rule will not have a significant economic impact on a substantial number of small entities. Therefore, the ASC certifies that the proposed rule would not have a significant economic impact on a substantial number of small entities. Accordingly, an initial regulatory flexibility analysis is not required.

Unfunded Mandates Reform Act of 1995 Determination

The ASC has analyzed the proposed rule under the factors in the Unfunded Mandates Reform Act of 1995 (UMRA) (2 U.S.C. 1532). Under this analysis, the ASC considered whether the proposed rule includes a Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of $100 million or more in any one year (adjusted annually for inflation). For the following reasons, the ASC finds that the

proposed rule does not trigger the $100 million UMRA threshold. First, the mandates in the proposed rule apply only to those States that choose to establish an AMC registration and supervision system. Second, the costs specifically related to requirements set forth in statute are excluded from expenditures under the UMRA. Given that the proposed rule reflects requirements that arise from section 1473 of the Dodd-Frank Act, the UMRA cost estimate for the proposed rule is zero. For this reason, and for the other reasons cited above, the ASC has determined that this proposed rule will not result in expenditures by State, local, and tribal governments, or the private sector, of $100 million or more in any one year. Accordingly, this proposed rule is not subject to section 202 of the UMRA.

List of Subjects

12 CFR Part 1102

Administrative practice and procedure, Appraisers, Banks, Banking, Freedom of information, Mortgages, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons set forth in the preamble, the ASC proposes to amend 12 CFR part 1102 as follows:

PART 1102—APPRAISER REGULATION

1. The authority citation for part 1102 is revised to read as follows:

Authority: 12 U.S.C. 3348(a), 3332, 3335, 3348(c), 552a, 553(e); Executive Order 12600, 52 FR 23781 (3 CFR, 1987 Comp., p. 235), 12 U.S.C. 3338.

2. Subpart E to part 1102 is added to read as follows:

Subpart E – Collection and Transmission of Appraisal Management Company (AMC) Registry Fees

Sec.

1102.400 Authority, purpose, and scope.

1102.401 Definitions.

1102.402 Establishing the Annual AMC Registry Fee.

1102.403 Collection and Transmission of Annual AMC Registry Fees.

§ 1102.400 Authority, Purpose, and Scope.

(a) *Authority*. This subpart is issued by the Appraisal Subcommittee (ASC) under sections 1106 and 1109 (a)(4)(B) of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (Title XI), as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) (Pub. L. 111-203, 124 Stat. 1376 (2010)), 12 U.S.C. 3335, 3338 (a)(4)(B)).

(b) *Purpose*. The purpose of this subpart is to implement section 1109 (a)(4)(B) of Title XI, 12 U.S.C. 3338.

(c) *Scope*. This subpart applies to States that elect to register and supervise appraisal management companies pursuant to 12 U.S.C. 3353 and the regulations promulgated thereunder.

§ 1102.401 Definitions.

For purposes of this subpart:

(a) *AMC Registry* means the national registry maintained by the ASC of those AMCs that meet the Federal definition of AMC, as defined in 12 U.S.C. 3350(11), are registered by a State or are Federally regulated, and have paid the annual AMC registry fee.

(b) AMC Rule means the interagency final rule on minimum requirements for AMCs, 12 C.F.R. 34.210 – 34.216; 12 C.F.R. 225.190 – 225.196; 12 C.F.R. 323.8 -323.14; 12 C.F.R. 1222.20 – 1222.26 (2015).

(c) *ASC* means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council established under section 1102 (12 U.S.C. 3310) as it amended the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3301 *et seq*.) by adding section 1011.

(d) *State* means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the United States Virgin Islands, and American Samoa.

(e) *Other terms*. Definitions of: *appraisal management company (AMC); appraisal management services; appraisal panel; consumer credit; covered transaction; dwelling; Federally regulated AMC* are incorporated from the AMC Rule by reference.

§ 1102.402 Annual AMC Registry Fee.

The annual AMC registry fee to be applied by States that elect to register and supervise AMCs is established as follows:

(1) in the case of an AMC that has been in existence for more than a year, $25 multiplied by the number of appraisers who have performed an appraisal assignment for the AMC in connection with a covered transaction in such State during the previous year; and

(2) in the case of an AMC that has not been in existence for more than a year, $25 multiplied by the number of appraisers who have performed an appraisal assignment for the AMC in connection with a covered transaction in such State since the AMC commenced doing business.

Performance of an appraisal assignment means that the assignment is completed during the previous year.

§ 1102.403 Collection and Transmission of Annual AMC Registry Fees.

(a) *Collection of annual AMC registry fees.* States that elect to register and supervise AMCs shall collect an annual registry fee as established in § 1102.402 (a) from AMCs eligible to be on the AMC Registry.

(b) *Transmission of annual AMC registry fee.* States that elect to register and supervise AMCs shall transmit AMC registry fees as established in § 1102.402 (a) to the ASC on an annual basis. Only those AMCs whose registry fees have been transmitted to the ASC will be eligible to be on the AMC Registry for the 12-month period subsequent to payment of the fee.

* * * * *

By the Appraisal Subcommittee,

_____ _____

Arthur Lindo, Chairman Date

Billing Code 6700-0001