

NOTICE OF INTENT TO ACT UPON A REGULATION

NOTICE OF HEARING FOR THE ADOPTION, AMENDMENT OR REPEAL OF REGULATIONS OF THE NEVADA COMMISSION OF APPRAISERS OF REAL ESTATE

LCB FILE No. R176-18

The Nevada Commission of Appraisers of Real Estate will conduct a public hearing at **9:00 a.m. on Tuesday, March 3, 2020, at the Nevada State Business Center 3300 W. Sahara Avenue, Tahoe Room, Las Vegas, Nevada 89102 with video conference to the Nevada Division of Insurance 1818 E. College Parkway, Suite 103, Carson City, Nevada 89706.** The purpose of the hearing is to receive comments from all interested persons regarding the adoption of regulations that pertain to Chapter 645C of the Nevada Administrative Code.

The following information is provided pursuant to the requirements of NRS 233B.060.

Information Regarding Adoption

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

1. Purpose and need of the proposed regulations

In 2019, the Nevada Legislature passed Senate Bill 39 which made various changes to NRS 645C to incorporate the new requirements that were created by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

2. Terms of the proposed regulations

- Revising provisions governing advertisements by appraisers and appraisal management companies;
- Revising provisions governing applications for registration as an appraisal management company or for a license or certificate as an appraiser;
- Revising the duties of the Commission of Appraisers of Real Estate, the Real Estate Division of the Department of Business and Industry and the Real Estate Administrator;
- Revising provisions governing the examination and education requirements for appraisers;
- Revising provisions governing the supervision of registered interns;
- Revising provisions governing the use of independent contractors by appraisal management companies;

- Establishing record retention requirements for appraisal management companies; and,
- Providing other matters properly relating thereto.

3. Estimated Economic Effect

(a) Adverse effects:

The advertising requirement concerned some national organizations who were concerned that it would be extremely difficult to include all AMC registrations in regional and national advertisements. Based on that feedback the Commission modified the proposed regulation to make it specific to Nevada. Due to the changes in advertisement requirements, businesses might be required to change or update current advertisement. The regulation adopts statutory requirements to collect the annual national registry fee as required by the Federal Financial Institutions Examination Council from appraisal management companies to be in compliance with the Dodd-Frank Act.

(b) Beneficial effects:

The ability to use experience in lieu of a degree to apply as a licensed residential appraiser and a certified residential appraiser will significantly benefit businesses that are looking to hire new appraisers. These additional appraisers would also be able to serve the underserved areas of central and northern Nevada.

Proposed changes to the regulation allow for more flexibility to conduct an inspection of property for a registered intern.

(c) Immediate effect:

Proposed changes to the regulation could result in cost increases to appraisal management companies and businesses who will be required to update their advertisement to include their license number. There would be an increase in costs for appraisal management companies to pay the annual national registry fee as required by the Federal Financial Institutions Examination Council. Companies will benefit from an increased pool of licensed appraisers to hire or select from due to the changes to the education requirements. This will allow Companies to take on additional appraisal assignments and increase revenue. Also, the proposed changes to regulation would directly affect registered appraiser interns allowing more flexibility to conduct an inspection.

(d) Long term effects:

Lenders benefit because the pool of certified residential appraisers would increase due to the change in education requirements. This could result in costs decrease of appraisals in rural and underserved areas. Lenders may be more inclined to use appraisals and reduce the use of alternative methods to value homes.

4. Estimated Cost to the Agency.

No additional estimated costs to the agency for enforcement of the proposed regulation.

5. Duplication with other Agencies:
Some provisions duplicate the Dodd-Frank Wall Street Reform and Consumer Protection Act Section 1473 which amends various sections of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as it related to Appraisal Subcommittee of the Federal Financial Institutions Examination Council. The provisions are not more stringent.
6. Federal Law:
Some provisions duplicate the Dodd-Frank Wall Street Reform and Consumer Protection Act Section 1473 which amends various sections of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as it related to Appraisal Subcommittee of the Federal Financial Institutions Examination Council. The provisions are not more stringent.
7. Federal Regulation:
Some provisions duplicate the Dodd-Frank Wall Street Reform and Consumer Protection Act Section 1473 which amends various sections of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as it related to Appraisal Subcommittee of the Federal Financial Institutions Examination Council. The provisions are not more stringent.
8. New Fee Established:
This proposed regulation to comply with Title XI of the Financial Institution Reform, Recovery, and Enforcement Act of 1989 made by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, requires per the final rule promulgated by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC) Appraisal Management Companies (AMC) registry fees to be collected and transmitted to the ASC on an annual basis by States that elect to register and supervise AMCs. These fees are not retained by the State. The fees are used by the ASC to maintain a “registry” of AMC’s. The total amount of fees cannot be determined at this time as it will vary based on several factors including but not limited to the number of AMC’s, the number of appraisers on the AMC panel and whether the AMC is federally regulated. This regulation also lists the fees that are currently in NRS 645C. The Commission would like to move these fees into regulation and repeal the same fees from statute during the next legislative session. There are no additional fees being added at this time. The fees will continue to be collected and used in the manner that they are currently being collected and used.

Comments and Written Submissions

Persons wishing to comment on the proposed action of the Commission may appear at the scheduled public hearings or may address their comments, data, views or arguments, in written form to:

Nevada Real Estate Division
3300 W. Sahara Avenue, Suite 350
Las Vegas, NV. 89102

Attn: Teralyn Lewis, Administration Section Manager

Written submissions must be received by the Division no later than March 2, 2020. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

Copies of Proposed Regulation

A copy of this notice and the proposed regulation will be on file at the State Library, 100 Stewart Street, Carson City, Nevada for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulation are available on the Division website at www.red.nv.gov and at the Division office:

Nevada Real Estate Division
3300 W. Sahara Avenue, Suite 350
Las Vegas, NV. 89102

The text of each regulation will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653 and on the Internet at:

<https://www.leg.state.nv.us/Register/2018Register/R176-18RP1.pdf>

Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Nevada Real Estate Division
1818 E. College Parkway, Suite 110
Carson City, Nevada 89706

Nevada State Business Center
3300 W. Sahara Avenue
Las Vegas, Nevada 89102

Carson City Library
900 N. Roop Street
Carson City, Nevada 89701

Las Vegas-Clark County Library
833 N. Las Vegas Boulevard
Las Vegas, Nevada 89101

Churchill County Library
553 S. Maine Street
Fallon, Nevada 89406

Douglas County Public Library
1625 Library Lane
Minden, Nevada 89423

Elko County Library
720 Court Street
Elko, Nevada 89801

Goldfield Public Library
PO Box 430
Goldfield, Nevada 89013

Lincoln County Library
63 Main Street
PO Box 330
Pioche, Nevada 89043

Humboldt County Library
85 E. Fifth Street
Winnemucca, Nevada 89445

Lyon County Library
20 Nevin Way
Yerington, Nevada 89447

Storey County Library
PO Box 999
175 E. Carson Street
Virginia City, Nevada 89440

Tonopah Public Library
167 S. Central Street
Tonopah, Nevada 89049

Mineral County Library
PO Box 1390
Hawthorne, Nevada 89415

Washoe County Library-Reno
301 S. Center Street
Reno, Nevada 89501

Pershing County Library
400 Main Street
Lovelock, Nevada 89419

Battle Mountain Library
625 S. Broad Street
Battle Mountain, Nevada 89820

White Pine County Library
950 Campton Street
Ely, Nevada 89301

State of Nevada Legislative Counsel
Bureau website
<https://www.leg.state.nv.us/>

State of Nevada Public Notice website
<https://notice.nv.gov/>