SUPPORTING MATERIALS
AGENDA ITEM 3A
Financial Pressures in CICs

Fair-Use Summary of Wall Street Journal Article by Nicole Friedman

Surging HOA Fees Are Pushing Homeowners to the Brink

The Wall Street Journal, April 9, 2026

Available at: https://www.wsj.com/economy/housing/housing-affordability-hoa-fees-d02902af

The article explains that homeowners association ("HOA") and condo fees have risen steeply across the U.S., adding to the financial strain on homeowners. Realtor.com data shows median condo fees up 29% since 2019 and single-family HOA fees up 26% over the same period. These costs are increasing alongside high home prices, elevated mortgage rates, rising taxes, and insurance premiums, making homeownership increasingly difficult for many households.

Homeowners interviewed described substantial fee hikes, in some cases doubling or more over a decade, with some paying higher combined HOA fees, insurance, and taxes than their mortgage payment. Associations cite rising insurance, labor, materials, and safety-compliance requirements—particularly after Florida's Surfside condo collapse—as drivers of these cost increases.

Some HOAs are issuing special assessments for major repairs, while homeowners worry about declining affordability, community tensions over fee increases, and reduced services if associations attempt to cut costs. The article notes that although HOAs can sometimes provide cost savings through shared services, many homeowners now face a difficult tradeoff between higher dues and reduced amenities.

See also, *Rising HOA Fees Are Making It Even More Expensive to Own a Home*. Wall Street Journal, What's News Podcast, April 9, 2026, available at: https://www.wsj.com/podcasts/whats-news/rising-hoa-fees-are-making-it-even-more-expensive-to-own-a-home/2B4B75D5-B061-4ECD-8FB8-56739C49D5BC.

The podcast discuses homeowners across the U.S. are seeing substantial increases in HOA and condo association fees. These rising costs are largely driven by higher property-insurance premiums and more expensive labor and construction materials. Insurance rates in particular have jumped since the 2021 Surfside condominium collapse, which led to stricter attention to building safety, especially for older structures.

About a quarter of U.S. homeowners pay monthly association fees. Median condo fees reached roughly $420 per month in 2023, up nearly 30 percent since 2019. Fees for single-family home associations rose about 26 percent during the same period, though they remain much lower on average.

These added expenses are making homeownership less affordable. Even if mortgage rates eventually fall, buyers must still consider the total monthly cost of ownership. In the condo market—where units are often cheaper than single-family homes—the increased monthly dues can put properties beyond the reach of some buyers.

Lender Letter (LL-2026-03)

March 18, 2026

To: All Fannie Mae Single-Family Sellers/Servicers
Updates to Project Standards & Property Insurance Requirements

In response to industry feedback and evolving market conditions, we are announcing various updates to our project standards policies, as well as property insurance requirements for one-to four-unit properties and project developments. These changes are in alignment with Freddie Mac and in coordination with U.S. Federal Housing (FHFA) and reflect our commitment to supporting sustainable homeownership and reducing operational complexity for sellers and servicers. We are issuing these property insurance and project standards updates together to ease the transition and address the interests of borrowers, unit owners, project developments and Fannie Mae.

We recognize that in certain areas, rising premiums and limited insurance availability are creating challenges for borrowers and homeowners' associations. At the same time, we remain focused on mitigating risks of inadequate protection against property loss, including underinsurance and underfunded condo projects.

To that end, we are introducing targeted policy updates that provide lenders and servicers with greater flexibility and operational simplicity. These updates will help ensure borrowers and homeowners' associations have access to insurance that is compliant with Fannie Mae's insurance requirements. They also balance the strengthened project standards requirements designed to promote the financial resilience and long-term sustainability of condo projects.

Together, these changes are designed to support a more stable, accessible, and sustainable housing finance system.

We are updating certain project standards throughout *Selling Guide* Chapter B4-2, Project Standards and property insurance requirements and related lender and servicer responsibilities throughout *Selling Guide* Chapter B7-3, Property and Flood Insurance and *Servicing Guide* Chapter B2, Property Insurance Requirements. Lenders and servicers must continue to refer to existing requirements in these Chapters unless otherwise updated with this Lender Letter. This Lender Letter provides information about the following:

Project Standards Updates

- Expansion of Waiver of Project Review
- Retirement of PERS review for new condo projects with attached units in Florida
- Retirement of investor concentration limits
- Retirement of the Limited Review process
- Enhanced reserve study requirements
- Increased replacement reserve requirements

Property Insurance Updates

- Policies Applicable to Sellers and Sellers/Servicers
    - Property Insurance Requirements for One-to Four-Unit Properties
    - Master Property Insurance Requirements for Project Developments
    - Individual Property Insurance Requirements for a Unit in a Project Development
- Additional Policies Applicable to Servicers Only
    - Property Insurance Requirements for One- to Four-Unit Properties
    - General Requirements

Project Standards Updates

In 2023, we incorporated significant deferred maintenance and unsafe condition (i.e., critical repairs) requirements for condo projects into the *Selling Guide*. Since then, we have seen a correlation between condo projects with underfunded reserves for capital expenditures and those in need of critical repairs. Condo projects with inadequate reserves typically do not have the requisite resources to maintain the physical condition of the project or to fund unexpected operating expenses. As a result, unit owners can experience substantial financial hardship from unexpected special assessments or higher regular assessments or dues, leading to mortgage default or foreclosure.

Our revised requirements are intended to improve the financial health of condo projects and promote long-term sustainable homeownership.

Expansion of Waiver of Project Review

We are expanding eligibility for a Waiver of Project Review to include new and established projects with ten or fewer units. For projects consisting of five- to ten-units, the project must not be part of a master association or larger development. Lenders who use this option must comply with all *Requirements that Apply When the Project Review is Waived* in *Selling Guide* B4-2.1-02, Waiver of Project Review. This includes, but is not limited to, the following:

- the project does not have an "Unavailable" status in Condo Project Manager™ (CPM™),
- the project meets all applicable insurance requirements in *Selling Guide* B7-3, Property and Flood Insurance, and
- there are no critical repairs or evacuation orders in place if the loan is a Fannie Mae to Fannie Mae limited cash-out refinance.

> **NOTE:** *As stated in Selling Guide B7-4-01, General Liability Insurance Requirements for Project Developments, general liability and fidelity insurance are not required for condo projects that qualify for a Waiver of Project Review.*

Effective: Lenders may take advantage of this change immediately. The Desktop Underwriter® (DU®) messages related to Waiver of Project Review will be updated in a future release.

Retirement of PERS review for new condo projects with attached units in Florida

We are retiring the requirement that new or newly converted projects with attached units in Florida must be submitted to Fannie Mae's Project Eligibility Review Service (PERS). Approval of these projects, like all other new projects with attached units, can be reviewed under the lender-delegated Full Review process.

Effective: Lenders may take advantage of this change immediately. Regarding the state-specific project review guidelines, CPM has been updated and DU messages will be updated in a future release.

Retirement of investor concentration limits

We are retiring the investment property concentration limit of 50% in established projects reviewed as part of the Full Review option on investor loans.

> **NOTE:** *The presale requirement that at least 50% of the total units in the project or subject legal phase must have been conveyed or be under contract for sale to principal residence or second home purchasers still applies as described in Selling Guide B4-2.2-03, Full Review: Additional Eligibility Requirements for Units in New and Newly Converted Condo Projects.*

Effective: Lenders may take advantage of this change immediately. Regarding the investor concentration guidelines, CPM has been updated and DU messages will be updated in a future release.

Retirement of the Limited Review process

We are retiring the Limited Review process. Established projects previously eligible for Limited Review must now be reviewed using the Full Review process or, when applicable, the Waiver of Project Review process in *Selling Guide* B4-2.1-02, Waiver of Project Review.

> **NOTE:** *This change effectively retires the remaining geographic restrictions that apply to the state of Florida. Geographic restrictions remain in effect until the Limited Review process is retired on August 3, 2026.*

Effective: Lenders may implement the retirement of Limited Review immediately but must do so for all loan applications dated on or after Aug. 3, 2026. DU messages related to the Limited Review process will be updated in a future release.

Enhanced reserve study requirements

Current policy allows lenders to obtain a reserve study to demonstrate a project has sufficient reserves when it is not budgeting for replacement reserves that meet our *Selling Guide* requirements. We are updating this policy to clarify when lenders use this flexibility, they must verify the project's budget includes the highest recommended reserve allocation amount in the reserve study to adequately cover the costs identified.

> **NOTE:** *Lenders are no longer permitted to use the baseline funding method which is the option that allows the reserve cash balance to approach but never fall below zero.*

Effective: Lenders are encouraged to implement this change immediately but must do so for all loan applications dated on or after Aug. 3, 2026.

Increased replacement reserve requirements

We are revising our reserve allocation requirement for capital expenditures and deferred maintenance from a minimum of 10% to a minimum of 15% of the annual budgeted income assessment. All other requirements related to replacement reserves and the review of budget adequacy remained unchanged.

Effective: Lenders must comply with this requirement when utilizing the Full Review process for all loan applications dated on or after Jan. 4, 2027. CPM lender certifications will be updated in a future release.

Property Insurance Updates

In February 2024, we made clarifications to our property insurance requirements. Since publication of these clarifications, we have heard concerns from industry partners about lenders' and servicers' ability to comply with certain property insurance requirements. In response to this feedback, we conducted extensive market outreach and are making various updates to our requirements as a result of these collaborative efforts.

Policies Applicable to Sellers & Sellers/Servicers

Property Insurance Requirements for One-to Four-Unit Properties

Coverage sufficiency

We are retiring the requirements related to documenting the replacement cost value to verify the property insurance policy coverage amount contained in *Determining the Required Coverage Amount* in *Selling Guide* B7-3-02, Property Insurance

Requirements for One-to Four-Unit Properties in their entirety. We are also retiring the requirement to insure roofs on a replacement cost basis, as described in *Coverage Requirements* in *Selling Guide*, B7-3-02, Property Insurance Requirements for One-to Four-Unit Properties.

With this Lender Letter, the requirement for coverage sufficiency is as follows:

The property insurance policy must provide coverage on a replacement cost basis, with the exception of roofs; property insurance policies that provide such terms of coverage will be deemed to provide sufficient coverage.

> **NOTE:** *Roofs must be insured, but do not have to be insured on a replacement cost basis.*
>
> **NOTE:** *Fannie Mae recognizes that some insurers may issue policies that provide coverage on an actual cash value basis for personal property and structures that are not buildings. In the event the lender or servicer sees such terms in a property insurance policy covering a one- to four-unit property, this is acceptable.*

All other requirements in *Coverage Requirements* in *Selling Guide* B7-3-02, Property Insurance Requirements for One-to Four-Unit Properties remain unchanged.

Effective: These changes are effective immediately.

Master Property Insurance Requirements for Project Developments

Coverage sufficiency

We are revising the requirements related to documenting the replacement cost value to verify the master property insurance policy coverage amount contained in *Determining the Required Coverage Amount* in *Selling Guide* B7-3-03, Master Property Insurance Requirements for Project Developments in their entirety. Additionally, we are retiring the requirement to insure roofs on a replacement cost basis, as described in *Coverage Requirements* in *Selling Guide* B7-3-03, Master Property Insurance Requirements for Project Developments. Last, we are retiring the requirement that project developments have inflation guard coverage as described in *Special Coverage Requirements for Project Developments* in *Selling Guide* B7-3-03, Master Property Insurance Requirements for Project Developments.

With this Lender Letter, the following table describes the coverage sufficiency requirements for master property insurance policies.

Requirements to Confirm Coverage Sufficiency for Project Developments	
Coverage sufficiency	The master property insurance policy coverage amount must equal at least 100% of the estimated replacement cost value of the project improvements, including common elements and residential structures. The lender or servicer may rely on any one of the following to document that the coverage amount is sufficient: • guaranteed replacement cost coverage, or its equivalent; • extended replacement cost coverage, or its equivalent; • a replacement cost value estimate provided by the insurer; • the project's insurance risk appraisal; or • a statement from the insurer or other applicable professional with appropriate expertise to make such a determination.
Loss settlement	The master property insurance policy must provide coverage on a replacement cost basis, with the exception of roofs. **NOTE:** *Roofs must be insured, but do not have to be insured on a replacement cost basis.* **NOTE:** *Fannie Mae recognizes that some insurers may issue policies that provide coverage on an actual cash value basis for personal property and certain property elements. In the event the lender or servicer sees such terms in a master property insurance policy covering a project development, this is acceptable.*

> **NOTE:** *See Acceptable Evidence of Master Property Insurance Policies in Servicing Guide B-2-03, Master Property Insurance Requirements for Project Developments for additional servicer options related to property insurance covering project developments.*

All other requirements in *Coverage Requirements* and *Special Coverage Requirements for Project Developments* in *Selling Guide* B7-3-03, Master Property Insurance Requirements for Project Developments remain unchanged.

Effective: These changes are effective immediately.

Deductible requirements

We are updating our requirements related to per unit deductibles in *Deductible Requirements* in *Selling Guide* B7-3-03, Master Property Insurance Requirements for Project Developments.

With this Lender Letter, the maximum allowable per unit deductible for all required property insurance perils covered by a master property insurance policy is $50,000 per unit.

> **NOTE:** *When the master property insurance policy has a per unit deductible, the borrower must have a unit owners property insurance policy, in accordance with the requirements set forth in "Determining when a policy is required & coverage sufficiency" in "Individual Property Insurance Requirements for a Unit in a Project Development" below.*

All other requirements in *Deductible Requirements* in *Selling Guide* B7-3-03, Master Property Insurance Requirements for Project Developments remain unchanged.

Effective: Lenders are encouraged to implement these changes immediately but must do so for all loans with application dates on or after July 1, 2026.

Individual Property Insurance Requirements for a Unit in a Project Development

Determining when a policy is required & coverage sufficiency

We are replacing the requirements related to when a borrower is required to obtain an individual property insurance policy, as described in *Determining if an Individual Property Insurance Policy on a Unit in a Project Development is Required* in *Selling Guide* B7-3-04, Individual Property Insurance Requirements for a Unit in a Project Development, in their entirety. Additionally, we are replacing the requirements related to coverage sufficiency, as described in *Determining the Required Coverage Amount* in *Selling Guide* B7-3-04, Individual Property Insurance Requirements for a Unit in a Project Development, in their entirety.

With this Lender Letter, the following table describes requirements for individual property insurance policies.

Requirements for Individual Property Insurance Policies	
Determining when a unit owners property insurance policy is required	The borrower must have a unit owners property insurance policy when: • any portion of the interior of the unit or improvements to the unit are not covered by the master property insurance policy, or • the master property insurance policy includes a per unit deductible.
Coverage sufficiency	The minimum amount of coverage required for a unit owners property insurance policy must be at least equal to the greater of: • an amount sufficient to cover any portion of the interior of the unit or improvements to the unit not covered by the master property policy in order to restore the unit to its condition prior to a loss event; or • the amount of the per unit deductible, if the master property insurance policy has a per unit deductible. Coverage amount sufficiency should be based on the best information known or available to the lender or servicer, which may include information obtained from the borrower in collaboration with the insurer or insurance agent, the HOA or co-op corporation legal documents, or other professional with appropriate expertise to make such a determination. Fannie Mae recommends that lenders and servicers encourage borrowers to closely collaborate with an insurance professional to determine their individual insurance needs.
Required perils	See *Coverage Requirements* in *Selling Guide* B7-3-02, Property Insurance Requirements for One-to Four-Unit Properties for the coverage requirements when a unit owners property insurance policy is required for a unit in a project development. If the master property insurance policy includes a per unit deductible applicable to a specific required peril, the unit owners property insurance policy must include coverage for that peril.
Loss Settlement	The unit owners property insurance policy must provide coverage on a replacement cost basis.

Effective: The updates to required perils and loss settlement are effective immediately. Lenders are encouraged to implement the remaining changes immediately but must do so for all loans with application dates on or after July 1, 2026.

Deductible requirements

We are replacing our maximum deductible requirements in *Deductible Requirements* in *Selling Guide* B7-3-04, Individual Property Insurance Requirements for a Unit in a Project Development in their entirety.

With this Lender Letter, the maximum allowable deductible for a unit owners property insurance policy for all required property insurance perils is the greater of

- 5% of the property insurance coverage amount, or
- $2,500.

Effective: These changes are effective immediately.

Additional Policies Applicable to Servicers Only

Property Insurance Requirements for One- to Four-Unit Properties

Coverage sufficiency

We are updating certain requirements for monitoring property insurance policies in *Servicing Guide* B-2-01, Property Insurance Requirements Applicable to All Property Types and B-2-02, Property Insurance Requirements for One-to Four-Unit Properties.

With this Lender Letter, the requirements for servicers to monitor property insurance policies for one-to four-unit properties are as follows:

While the servicer remains obligated in accordance with *Selling Guide* A2-1-03, Indemnification for Losses, the following table describes Fannie Mae's minimum requirements for monitoring property insurance policies depending on whether the policy obtained is a new or renewal policy.

<table>
<tr><th>New or Renewal Policy</th><th>Minimum Requirements</th></tr>
<tr><td>New Policy</td><td>The servicer must confirm that the property insurance policy meets
the requirements related to insurer rating, deductible, and perils in accordance with Selling Guide B7-3, Property and Flood Insurance; and
the replacement cost coverage requirements in “Coverage Sufficiency in Property Insurance Requirements for One-to Four-Unit Properties” in this Lender Letter.</td></tr>
<tr><td>Renewal Policy</td><td>At least annually, the servicer must confirm that the property insurance policy meets
the requirements related to insurer rating, deductible, and perils in accordance with Selling Guide B7-3, Property and Flood Insurance; and
the replacement cost coverage requirements in “Coverage Sufficiency in Property Insurance Requirements for One-to Four-Unit Properties” in this Lender Letter.
If, based on the initial evidence of insurance provided, the servicer is unable to confirm whether the policy meets the replacement cost coverage requirements, then the servicer is authorized to determine whether the policy coverage amount in the policy under review has decreased from the last known coverage amount and take the action described in the following table.

<table>
<tr><th>If the policy coverage amount…</th><th>Then….</th></tr>
<tr><td>has decreased from the last known coverage amount or the servicer cannot determine the last known coverage amount</td><td>the servicer must take additional steps it deems appropriate to confirm that the property insurance policy meets the replacement cost coverage requirements in “Coverage Sufficiency” in “Property Insurance Requirements for One-to Four-unit Properties” in this Lender Letter and document its efforts in the individual mortgage loan file.</td></tr>
<tr><td>has not decreased from the last known coverage amount</td><td>any additional action the servicer takes to confirm that the property insurance policy meets the replacement cost coverage requirements in “Coverage Sufficiency” in “Property Insurance Requirements for One-to Four-unit Properties” in this Lender Letter is at its discretion.</td></tr>
</table></td></tr>
</table>

Upon identifying that a property insurance policy does not comply with one or more of the above requirements, the servicer must notify the borrower of the insufficiency.

The servicer must have procedures that describe the methods used to adhere to the minimum monitoring requirements. If the servicer relies on a process to monitor for instances when a policy’s coverage amount decreases, the procedures must describe the methods used to monitor for coverage decreases and the subsequent steps to confirm evidence of coverage that meets our requirements. Additionally, the servicer’s procedures must describe the steps, as applicable, used to attempt to resolve a non-compliant property insurance policy, which may include lender-placed insurance.

General Requirements

Annual Insurance Reminder

We are establishing a new requirement with this Lender Letter. At least annually, the servicer must provide a reminder to the borrower of their responsibility to maintain insurance on the property and recommend they contact their insurance provider to review their coverage. The servicer is authorized to include such reminder in or with another borrower communication and may refer the borrower to applicable borrower-facing insurance information on Fannie Mae's or the servicer's website. Additionally, the servicer is authorized to use any outreach method permitted by applicable law.

Lender-placed insurance

We are modifying our requirements related to obtaining lender-placed property insurance coverage, as described in *Servicing Guide* B-2-01, Property Insurance Requirements Applicable to All Property Types. The servicer must obtain lender-placed insurance in response to notification that coverage is being cancelled, non-renewed, or has lapsed, in accordance with *Servicing Guide* B-6-01, Lender-Placed Insurance Requirements.

All other requirements in *Servicing Guide* B-2-01, Property Insurance Requirements Applicable to All Property Types remain unchanged.

Effective: With respect to all servicing policies in this Lender Letter, servicers are encouraged to implement these changes immediately but must do so by Jan. 1, 2027.

> **NOTE:** *The selling policy updates set forth above are not intended to impact servicers' current processes for monitoring coverage for unit owners' property insurance policies for units in a project development or master property insurance policies for project developments, as applicable.*

Lenders may contact their Fannie Mae Account Team if they have questions about this Lender Letter.
Servicers who have questions may contact their Fannie Mae Servicing Manager or Fannie Mae's Single-Family Servicer Resource Center at 1-800-2FANNIE (1-800-232-6643).
Have guide questions? Get answers to all your policy questions, straight from the source. Ask Poli.

SUPPORTING MATERIALS
AGENDA ITEM 3B
Board Member Vacancies

Board Member Certification

Chapters 718 and 720, Florida Statutes

Division of Condominiums, Timeshares & Mobile Homes

Disclaimer

This course has a duration of four (4) hours. Participants must remain for the entire session to satisfy the statutory requirement and qualify for a certificate of completion. Partial credit will not be awarded. The participant will be required to attend another offering of the course in its entirety, if they do not attend for the duration of the course.

Certificates of completion will be issued **only** to **the registered individual** whose name and email address were used during the registration process. The name entered at the time of registration will be the name displayed on the certificate.

Only one (1) certificate will be issued per registered account that satisfactorily completes course. Multiple people will be unable to receive credit for the course if they are watching it as a group. **Only** the registered participant will receive credit. For each participant to receive credit for the course, they must register for the course and log in using their own individual Microsoft Teams account. Participants must use their full name when logging in to the course to receive a certificate of completion. The use of initials, nicknames, or first name only will not be sufficient.

Condo Board Member Certification

A new condominium association director must:

Within 90 days:

- **Submit a certificate** of satisfactory completion of a DBPR-approved 4-hour educational curriculum.
- **Certify in writing** having read all governing documents, a willingness to work to uphold such documents and policies, and a willingness to faithfully discharge their fiduciary responsibility to the members.

A board president must certify in writing that all the above requirements have been met by their board members.

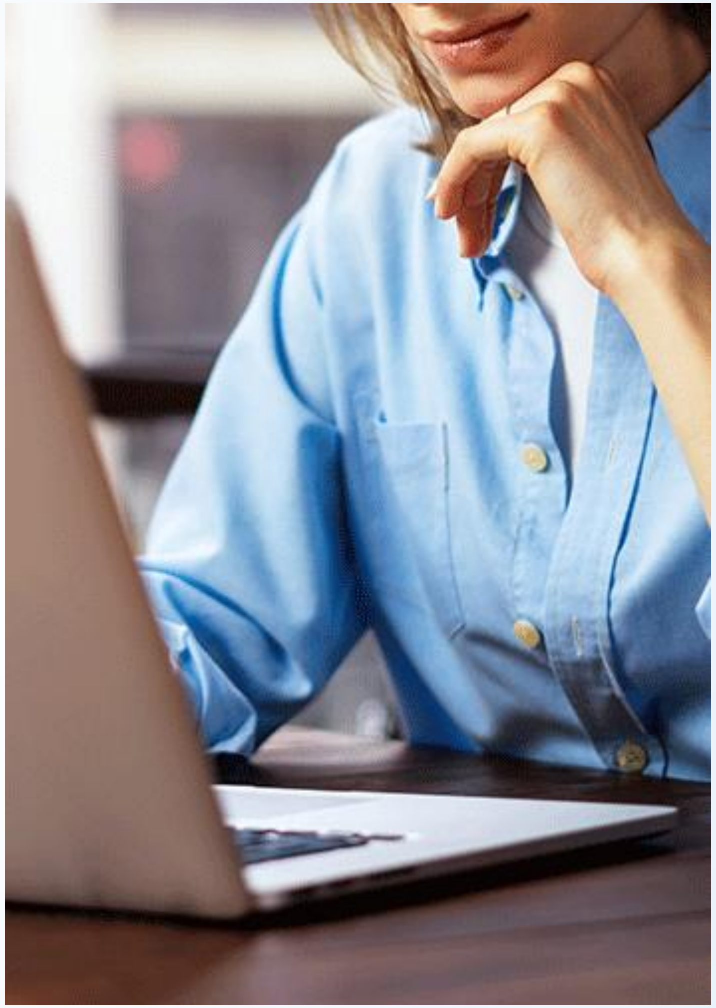
**All requirements above must be submitted to the secretary of the association

HOA Board Member Certification

HOA Directors elected or appointed prior to July 1, 2024, must complete an educational curriculum within four years, as long as the director serves on the board without interruption during the 4-year period.

HOA Directors appointed or elected on or after July 1, 2024, must complete an educational curriculum within 90 days after being elected or appointed.

Certificate of completion is valid for up to 4 years before the certification course must be retaken.



Continuing Education

Annually, a director of a **condominium association must** complete **at least 1 hour** of continuing education relating to any recent changes to laws and rules during the past year.

A director of an HOA that has fewer than 2,500 parcels must complete at **least 4 hours** of continuing education annually.

A director of an HOA that has 2,500 parcels or more must complete **at least 8 hours** of continuing education annually.

Condominium Requirement to Create an Online Account

- Effective July 1, 2025, Each condominium association must create and maintain an online account with the division (CTMH) and the division may require certain information related to:
  a) The contact information for the association
  b) The total number of buildings and for each building in the association
  c) The association's assessments
- CTMH may require associations to provide information once per year
- CTMH may require associations to update the contact information within 30 days after any change.
- CTMH must give at least a 45-day notice of any requirement to provide any information after the initial creation of the online account.
- Alternate Funding Methods for muilticondominiums, SIRS Reporting and Retrofitting Reporting and are submitted through the online account.

SUPPORTING MATERIALS
AGENDA ITEM 3C
Community Management Companies

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Senate Bill No. 186–Committee on Commerce and Labor

CHAPTER..........

AN ACT relating to property; requiring certain unit-owners' associations of common-interest communities to establish and maintain an Internet website or electronic portal through which a unit's owner may access certain information and pay assessments electronically; revising requirements concerning the provision of notice by an association; prohibiting certain persons from purchasing a unit in a common-interest community at a foreclosure sale; requiring a collection agency to file certain annual reports regarding debts collected for an association; prohibiting a collection agency from collecting certain debts owed to certain persons related to or affiliated with an owner of the collection agency; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes provisions relating to the management of common-interest communities. (NRS 116.3101-116.350) **Section 1** of this bill requires a unit-owners' association of a common-interest community that contains 150 or more units to establish and maintain a secure Internet website or electronic portal that is accessible to any unit's owner. **Section 1** also requires such an association to make available on the website or within the electronic portal any documents relating to the common-interest community or the association. **Section 5** of this bill makes such requirements effective on January 1, 2022. **Section 4** of this bill additionally requires any such website or electronic portal to provide units' owners with the ability to pay assessments electronically. **Section 5** makes such an additional requirement effective on January 1, 2023. **Section 1.5** of this bill makes a conforming change to indicate the proper placement of **section 1** in the Nevada Revised Statutes.

Existing law requires, in general, a unit-owners' association to deliver any notice required to be given by the association to any mailing or electronic mail address designated by a unit's owner or, if a unit's owner has not designated a mailing or electronic mail address, to deliver any such notice by certain authorized means. (NRS 116.31068) **Section 1.7** of this bill instead requires, in general, an association to deliver any such notice and any communication from or other information provided by the association to the mailing and electronic mail addresses designated by a unit's owner unless the unit's owner has opted out of receiving electronic communications or has not designated an electronic mail address.

Existing law provides that a unit-owners' association has a lien on a unit in a common-interest community for certain assessments and charges imposed on units' owners from the time the assessment or charge becomes due and establishes the process for the foreclosure of such liens, including the sale of the unit. (NRS 116.310312, 116.3116-116.31168) Existing law prohibits, in general, the person conducting the foreclosure sale of a unit or any entity in which that person holds an interest from purchasing the unit, but authorizes the association to purchase the unit unless otherwise provided in the declaration or by agreement. (NRS 116.31164) **Section 1.9** of this bill removes the ability of the association to purchase the unit. **Section 1.9** also prohibits certain other persons from purchasing the unit, including any person who: (1) was involved in the process of foreclosing the association's lien; or (2) is related by blood, adoption, marriage or domestic partnership within the third degree of consanguinity or affinity to any person who was involved in the process of foreclosing the association's lien.

With one exception, a person is prohibited from conducting a collection agency or engaging in certain related activities in this State unless the person has been issued a license by the Commissioner of Financial Institutions. (NRS 649.075) **Section 2** of this bill requires each licensed collection agency to file with the Commissioner an annual written report which includes certain information relating to cases in which the collection agency collected debts for a unit-owners' association during the immediately preceding year.

Existing law prohibits a collection agency and its managers, agents and employees from engaging in certain practices. (NRS 649.375) **Section 3** of this bill prohibits a collection agency and its managers, agents and employees from collecting a debt from a person who owes fees to a unit-owners' association, an operator of a tow car or a property manager for an apartment building if the collection agency is owned by a person who is or is related to a person who holds an ownership interest in the community manager for the unit-owners' association, the operator of the tow car or the property manager for the apartment building, or is or is related to an affiliate of the community manager, the operator of the tow car or the property manager.

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 116 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each association of a common-interest community that contains 150 or more units shall establish and maintain a secure Internet website or electronic portal that may be accessed by any unit's owner. The association shall make available on the website or within the electronic portal any documents relating to the common-interest community or the association, including, without limitation:

(a) The governing documents;

(b) The most recent copy of the declaration of covenants, conditions and restrictions;

(c) The annual budget of the association and any proposed budgets;

(d) The notices and agendas for any upcoming meetings of the association; and

(e) Any other documents required to be posted by law or regulation.

2. Each association of a common-interest community that contains fewer than 150 units may, and is encouraged to, establish

and maintain a secure Internet website or electronic portal pursuant to subsection 1.

Sec. 1.5. NRS 116.1203 is hereby amended to read as follows:

116.1203 1. Except as otherwise provided in subsections 2 and 3, if a planned community contains no more than 12 units and is not subject to any developmental rights, it is subject only to NRS 116.1106 and 116.1107 unless the declaration provides that this entire chapter is applicable.

2. The provisions of NRS 116.12065 and the definitions set forth in NRS 116.005 to 116.095, inclusive, to the extent that the definitions are necessary to construe any of those provisions, apply to a residential planned community containing more than 6 units.

3. Except for NRS 116.3104, 116.31043, 116.31046 and 116.31138, the provisions of NRS 116.3101 to 116.350, inclusive, ***and section 1 of this act*** and the definitions set forth in NRS 116.005 to 116.095, inclusive, to the extent that such definitions are necessary in construing any of those provisions, apply to a residential planned community containing more than 6 units.

Sec. 1.7. NRS 116.31068 is hereby amended to read as follows:

116.31068 1. Except as otherwise provided in subsection 3 ~~[,]~~ ***and unless a unit's owner opts out of receiving electronic communications or has not designated an electronic mail address,*** an association shall deliver any notice required to be given by the association under this chapter ***and any communication from or other information provided by the association*** to ~~[any]~~ ***the*** mailing or electronic mail ~~[address]~~ ***addresses*** a unit's owner designates. Except as otherwise provided in subsection 3, if a unit's owner ***has opted out of receiving electronic communications or*** has not designated ~~[a mailing or]~~ ***an*** electronic mail address to which a notice ~~[must]~~ ***, communication or other information can*** be delivered, the association may deliver notices ***, communications and other information*** by:

(a) Hand delivery to each unit's owner;

(b) Hand delivery, United States mail, postage paid, or commercially reasonable delivery service to the mailing address of each unit; ***or***

(c) ~~[Electronic means, if the unit's owner has given the association an electronic mail address; or~~

~~(d)]~~ Any other method reasonably calculated to provide notice to the unit's owner.

2. The ineffectiveness of a good faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting.

3. The provisions of this section do not apply:

(a) To a notice required to be given pursuant to NRS 116.3116 to 116.31168, inclusive; or

(b) If any other provision of this chapter specifies the manner in which a notice ***, communication or other information*** must be given by an association.

Sec. 1.9. NRS 116.31164 is hereby amended to read as follows:

116.31164 1. The sale must be conducted in accordance with the provisions of this section.

2. If the holder of the security interest described in paragraph (b) of subsection 2 of NRS 116.3116 satisfies the amount of the association's lien that is prior to its security interest not later than 5 days before the date of sale, the sale may not occur unless a record of such satisfaction is recorded in the office of the county recorder of the county in which the unit is located not later than 2 days before the date of sale.

3. The sale must be made between the hours of 9 a.m. and 5 p.m. and:

(a) If the unit is located in a county whose population is less than 100,000, at the courthouse in the county in which the unit is located.

(b) If the unit is located in a county whose population is 100,000 or more, at the public location in the county designated by the governing body of the county to conduct a sale of real property pursuant to NRS 107.080.

4. The sale may be conducted by the association, its agent or attorney, or a title insurance company or escrow agent licensed to do business in this State.

5. The association or other person conducting the sale may from time to time postpone the sale by such advertisement and notice as it considers reasonable or, without further advertisement or notice, by proclamation made to the persons assembled at the time and place previously set and advertised for the sale, except that:

(a) If the sale is postponed by oral proclamation, the sale must be postponed to a later date at the same time and location; and

(b) If such a date has been postponed by oral proclamation three times, any new sale information must be provided by notice as provided in NRS 116.311635.

6. On the day of sale, at the time and place specified in the notice, the person conducting the sale:

(a) Shall state to the persons assembled for the sale whether or not the holder of the security interest described in paragraph (b) of subsection 2 of NRS 116.3116 has satisfied the amount of the association's lien that is prior to that first security interest pursuant to subsection 3 of NRS 116.3116.

(b) ~~[May]~~ ***Except as otherwise provided in subsection 7, may*** sell the unit at public auction to the highest cash bidder. ~~[Except as otherwise provided in this subsection, the]~~

7. The following persons may not purchase the unit:

(a) Any person who was involved in the process of foreclosing the association's lien pursuant to NRS 116.3116 to 116.31168, inclusive, including, without limitation:

(1) Any person who exercised discretion in any decision relating to the foreclosure of the lien and any person employed by such a person;

(2) A collection agency used by the association to collect an obligation relating to the unit;

(3) A community manager of the association and any of his or her assistants;

(4) A member of the executive board of the association; or

(5) An attorney who provided representation to any of the parties with regard to the foreclosure of the lien;

(b) Any person who is related by blood, adoption, marriage or domestic partnership within the third degree of consanguinity or affinity to a person set forth in paragraph (a); or

(c) The person conducting the sale or any entity in which that person holds an interest ***.*** ~~[may not become a purchaser at the sale. Unless otherwise provided in the declaration or by agreement, the association may purchase the unit and hold, lease, mortgage or convey it. The association may purchase by a credit bid up to the amount of the unpaid assessments and any permitted costs, fees and expenses incident to the enforcement of its lien.~~

~~7.]~~ ***8.*** After the sale, the person conducting the sale shall:

(a) Comply with the provisions of subsection 2 of NRS 116.31166; and

(b) Apply the proceeds of the sale for the following purposes in the following order:

(1) The reasonable expenses of sale;

(2) The reasonable expenses of securing possession before sale, holding, maintaining, and preparing the unit for sale, including

payment of taxes and other governmental charges, premiums on hazard and liability insurance, and, to the extent provided for by the declaration, reasonable attorney's fees and other legal expenses incurred by the association;

(3) Satisfaction of the association's lien;

(4) Satisfaction in the order of priority of any subordinate claim of record; and

(5) Remittance of any excess to the unit's owner.

Sec. 2. Chapter 649 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each licensed collection agency shall file with the Commissioner a written report not later than January 31 of each year, unless the Commissioner determines that there is good cause for later filing of the report. The report must include:

(a) The number of cases in which the collection agency collected a debt for a unit-owners' association during the immediately preceding year;

(b) The name of each unit-owners' association for which the collection agency collected a debt during the immediately preceding year and the amount of money collected for each such unit-owners' association;

(c) The total amount of money collected by the collection agency for unit-owners' associations during the immediately preceding year;

(d) The zip code of each debtor from whom the collection agency collected a debt for a unit-owners' association during the immediately preceding year; and

(e) A statement, signed by the manager of the collection agency, affirming that the collection agency did not collect a debt against any person during the immediately preceding year in violation of the provisions of subsection 9 of NRS 649.375.

2. As used in this section, "unit-owners' association" has the meaning ascribed to it in NRS 116.011 or 116B.030.

Sec. 3. NRS 649.375 is hereby amended to read as follows:

649.375 ***1.*** A collection agency, or its manager, agents or employees, shall not:

~~[1.]~~ ***(a)*** Use any device, subterfuge, pretense or deceptive means or representations to collect any debt, nor use any collection letter, demand or notice which simulates a legal process or purports to be from any local, city, county, state or government authority or attorney.

~~[2.]~~ ***(b)*** Collect or attempt to collect any interest, charge, fee or expense incidental to the principal obligation unless:

~~[(a)]~~ ***(1)*** Any such interest, charge, fee or expense as authorized by law or as agreed to by the parties has been added to the principal of the debt by the creditor before receipt of the item of collection;

~~[(b)]~~ ***(2)*** Any such interest, charge, fee or expense as authorized by law or as agreed to by the parties has been added to the principal of the debt by the collection agency and described as such in the first written communication with the debtor; or

~~[(c)]~~ ***(3)*** The interest, charge, fee or expense has been judicially determined as proper and legally due from and chargeable against the debtor.

~~[3.]~~ ***(c)*** Assign or transfer any claim or account upon termination or abandonment of its collection business unless prior written consent by the customer is given for the assignment or transfer. The written consent must contain an agreement with the customer as to all terms and conditions of the assignment or transfer, including the name and address of the intended assignee. Prior written consent of the Commissioner must also be obtained for any bulk assignment or transfer of claims or accounts, and any assignment or transfer may be regulated and made subject to such limitations or conditions as the Commissioner by regulation may reasonably prescribe.

~~[4.]~~ ***(d)*** Operate its business or solicit claims for collection from any location, address or post office box other than that listed on its license or as may be prescribed by the Commissioner.

~~[5.]~~ ***(e)*** Harass a debtor's employer in collecting or attempting to collect a claim, nor engage in any conduct that constitutes harassment as defined by regulations adopted by the Commissioner.

~~[6.]~~ ***(f)*** Advertise for sale or threaten to advertise for sale any claim as a means to enforce payment of the claim, unless acting under court order.

~~[7.]~~ ***(g)*** Publish or post, or cause to be published or posted, any list of debtors except for the benefit of its stockholders or membership in relation to its internal affairs.

~~[8.]~~ ***(h)*** Conduct or operate, in conjunction with its collection agency business, a debt counseling or prorater service for a debtor who has incurred a debt primarily for personal, family or household purposes whereby the debtor assigns or turns over to the counselor or prorater any of the debtor's earnings or other money for apportionment and payment of the debtor's debts or obligations. This section does not prohibit the conjunctive operation of a business of commercial debt adjustment with a collection agency if the business deals exclusively with the collection of commercial debt.

(i) Collect a debt from a person who owes fees to:

(1) A unit-owners' association, if the collection agency is:

(I) Owned or operated by or is an affiliate of a person or entity who is the community manager for the unit-owners' association; or

(II) Owned or operated by a relative of a person who is the community manager for the unit-owners' association.

(2) A person or entity who is an operator of a tow car, if the collection agency is:

(I) Owned or operated by or is an affiliate of a person or entity who is the operator of a tow car; or

(II) Owned or operated by a relative of a person who is the operator of a tow car.

(3) A person or entity who engages in the business of, acts in the capacity of or assumes to act as a property manager of an apartment building, if the collection agency is:

(I) Owned or operated by or is an affiliate of the person or entity who engages in the business of, acts in the capacity of or assumes to act as the property manager of an apartment building; or

(II) Owned or operated by a relative of the person who engages in the business of, acts in the capacity of or assumes to act as the property manager of an apartment building.

2. As used in this section:

(a) "Affiliate" means a person who directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with another designated person.

(b) "Community manager" has the meaning ascribed to it in NRS 116.023 or 116B.050.

(c) "Operator of a tow car" means a person or entity required by NRS 706.4463 to obtain a certificate of public convenience and necessity.

(d) "Property manager" has the meaning ascribed to it in NRS 645.0195.

(e) "Relative" means a person who is related by blood, adoption, marriage or domestic partnership within the third degree of consanguinity or affinity.

(f) "Unit-owners' association" has the meaning ascribed to it in NRS 116.011 or 116B.030.

Sec. 4. Section 1 of this act is hereby amended to read as follows:

Section 1. Chapter 116 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each association of a common-interest community that contains 150 or more units shall establish and maintain a secure Internet website or electronic portal that may be accessed by any unit's owner. The association shall make available on the website or within the electronic portal any documents relating to the common-interest community or the association, including, without limitation:

(a) The governing documents;

(b) The most recent copy of the declaration of covenants, conditions and restrictions;

(c) The annual budget of the association and any proposed budgets;

(d) The notices and agendas for any upcoming meetings of the association; and

(e) Any other documents required to be posted by law or regulation.

2. ***The Internet website or electronic portal established and maintained pursuant to subsection 1 must provide units' owners with the ability to pay assessments electronically.***

3. Each association of a common-interest community that contains fewer than 150 units may, and is encouraged to, establish and maintain a secure Internet website or electronic portal pursuant to subsection 1.

Sec. 5. 1. This section and sections 1.7 to 3, inclusive, of this act become effective on October 1, 2021.

2. Sections 1 and 1.5 of this act become effective on January 1, 2022.

3. Section 4 of this act becomes effective on January 1, 2023.

20 ~~~~~ 21

2026 CAI Legislative and Public Policy Trends

by Phoebe E. Neseth, Esq. | Nov 19, 2025 | Advocacy, CAI, Community Associations Institute, Public Policies, State Advocacy

Community Associations Institute is dedicated to advocating for legislation and public policy that improves the governance and sustainability of community associations. As 2026 approaches, CAI's local, state, and federal, government affairs and advocacy efforts remain member-driven and focused on refining state policy outcomes to strengthen the community association housing model.

To effectively shape CAI's 2026 legislative agenda, the Government and Public Affairs team annually conducts a comprehensive survey engaging CAI members across the country including state and federal legislative action committee members and industry leaders such as the CAI Board of Trustees, chapter leaders, membership representation groups, and the College of Community Association

Lawyers. CAI's Government and Public Affairs Committee and staff prioritize member alignment and engagement, creditable data, transparency, and proactive positioning when it comes to our legislative and advocacy initiatives.

The survey results, along with 2025 trends, led to the identification of the key legislative priorities for 2026:

Community Governance

Board Authority and Transparency. With constituent complaints related to elections and access to books and records, CAI legislative committees see an increased focus on this issue in legislative proposals. CAI believes that board members should act within the boundaries of their authority defined by law and the governing documents of their association. Association leaders have a legal and ethical obligation to adhere to the association's governing documents and abide by all applicable laws. Boards should have the authority to set expectations of owners and non-owner residents to meet the financial obligations to their community association. It is important for board members to balance the needs and obligations of the community with those of individual homeowners and residents. Board members should conduct open, fair, and well-publicized meetings and elections. Board members must disclose personal or professional relationships with companies or business relationships with the community. Board members must provide access to books and records upon request as required by the law and governing documents.

Board Member Education. CAI understands the importance of making board member education accessible to all. In recent years, state legislatures have been discussing policy around mandated forms of board member education including education on the housing model, fair housing, etc. CAI encourages board members to get education without state mandates. If states are considering mandated board member education, CAI recommends legislatures work with CAI's state legislative action committees to establish a minimum level of education for all community association board members.

Dispute Resolution Procedures. In February 2025, CAI updated its dispute resolution public policy to reinforce a core industry principle: community associations should drive their own dispute-resolution processes to ensure flexibility while protecting the rights of homeowners and associations. Alternative Dispute Resolution is required in many states. Even in jurisdictions where ADR is not required by law, CAI strongly recommends the adoption of policies to offer ADR as an option to address disputes between individual unit owners and between owners and the association. In certain cases, ADR can be used between associations and external entities such as developers. Community associations should have wide discretion to choose precisely how to implement ADR within their community. Determining the method of ADR may depend on the issues or parties involved, or the resources readily available to a particular community.

Manager and Management Company Disclosures. Recent state-level public policy trends and stakeholder conversations are increasingly holding community association managers and management companies to higher standards of transparency, accountability, and disclosure. These initiatives and ongoing conversations reflect a broader policy shift toward demanding that community associations managers and management companies operate with explicit registration, disclosures (financial, contractual, conflict-of-interest), and publicly accessible documentation to protect homeowners and enhance governance. CAI is gathering stakeholder feedback and ensuring conversations continue to guarantee legislation and regulations are favorable to the industry.

Collections of Assessments and Covenant Enforcement

Collection of Delinquent Assessments. CAI encourages the creation and continuation of effective methods to ensure efficient, economic, and successful association collection procedures. CAI opposes the enactment of overreaching governmental limitations on collection of assessments, fees, and other charges. CAI supports laws that strengthen collection methods provided they are undertaken in a fair and reasonable manner, give the affected owners notice, the opportunity to be heard, and other due process protections. In October 2025, CAI also updated its assessment increase limitations public policy recognizing that state legislatures must understand that a board's decision to adjust assessments is never made arbitrarily. Rather, decisions are based on in-depth knowledge of community finances and operations with consideration for all parties. CAI supports a community association's board of directors' reasonable discretion to determine appropriate assessment levels and favors governing documents that empower a board to raise assessments when necessary.

Foreclosures and Fining Authority. In December 2025, CAI updated its foreclosures and fining authority public policy to address the increase in legislation nationwide addressing foreclosure and collection procedures in community associations. The authority of community associations to foreclose for unpaid assessments or fines has been under examination by state legislatures and media outlets. CAI emphasizes the need for fair and equitable foreclosure procedures that protect homeowners, property values, and the financial health of community associations by ensuring foreclosures are completed in a timely and reasonable manner.

Condominium Safety and Financing

Building Inspections, Maintenance, Condominium Repair, and Maintenance Financing. CAI supports laws that provide for ongoing inspections of the structure and façades of a building that could have a negative impact on the safety and stability of the structure and endanger the safety of the occupants of a common interest residential building or a mixed-use building. CAI also promotes the connection of owners and/or community associations with funding mechanisms necessary to help finance necessary repairs either as part of maintenance or if discovered during an inspection. Following the Surfside condominium collapse, state legislatures and local governments have been discussing financing means and opportunities for condominium repair and maintenance. CAI continues to emphasize the importance of building safety through proactive maintenance measures, financial sustainability, and funding for repairs and maintenance in condominiums, cooperatives, and homeowners associations.

Reserve Studies and Funding. States continue to navigate reserve study and funding requirements in the wake of the Surfside tragedy. CAI and its legislative action committees continue to lead the conversation with legislators around proper reserve study standards. CAI recommends statutorily mandating reserve studies and funding for all community associations. CAI recommends additional requirements by developers during the development process and prior to transition to homeowners.

Insurance

Insurance and Risk Management. CAI supports policies that help improve access to affordable insurance for community associations. Increasing insurance premium can make it unaffordable for community associations to obtain and maintain coverage that meets best practices, their governing documents, and the law. CAI continues to work with stakeholders and state legislatures to address solutions for community associations. CAI believes that an effective risk management program can best be achieved if associations and their governing boards work with recognized community association professionals. CAI further believes that a comprehensive association insurance program must focus on meeting a broad range of legal and lender requirements. Risk management and insurance programs require that risks be fully evaluated and that funding by commercial insurance or self-insurance must be completely analyzed.

Affordable Housing

Affordable Housing. As a shortage of affordable housing located near employment and transportation continues, CAI continues to engage in conversations on how condominiums and housing cooperatives can be positioned as affordable solutions. CAI supports efforts to increase access to affordable and stable housing for all people including those who choose to rent or own homes in community associations. CAI also supports the establishment of diverse housing options including middle housing and workforce housing options as long as protections for existing community associations are preserved.

Self-Governance of Community Associations

Community Values (i.e., accessory dwelling units, solar panels, electric vehicle charging stations, landscaping, etc.). CAI supports the rights of community associations to self-govern and to reasonably regulate factors related to community values. CAI supports legislation that recognizes the core principle of self-governance, co-ownership of common property, and the community association housing model. CAI encourages policymakers to engage industry stakeholders including community association homeowners, board members, volunteer leaders, developers, community managers, and business partners, on this issue.

Many state sessions begin in January with 46 states convening. Follow what's happening in your state by visiting CAI's website with a real-time legislative tracking map www.caionline.org/advocacy and subscribe to our CAI Advocacy Blog – https://advocacy.caionline.org.

Please contact CAI's Government and Public Affairs team at government@caionline.org with any questions.

Phoebe E. Neseth, Esq.

Vice President, Government Relations, Public Affairs & Legal

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community management companies Search

Assembly Bill No. 287–Assemblymen Horne, Atkinson, Conklin, Oceguera; Anderson, Arberry, Buckley, Hambrick, Kirkpatrick, Manendo, Mortenson, Segerblom and Spiegel

Joint Sponsor: Senator Parks

CHAPTER..........

AN ACT relating to appraisals of real estate; prohibiting the improper influence of the results of an appraisal under certain circumstances; revising provisions governing unprofessional conduct and disciplinary action for appraisers; prohibiting certain professionals from improperly influencing the results of an appraisal; providing for the registration and regulation of appraisal management companies; revising the requirements for continuing education for appraisers; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 4 of this bill prohibits certain persons from improperly influencing or attempting to improperly influence the development, reporting, result or review of an appraisal under certain circumstances. **Sections 1, 2, 24 and 27** of this bill apply this prohibition to real estate brokers and salesmen, mortgage brokers and agents, appraisers and mortgage bankers.

Section 25 of this bill revises provisions setting forth unprofessional conduct for an appraiser to expand the scope of conduct that is considered unprofessional with regard to appraising real estate when the appraiser's compensation is affected by the appraised value of the real estate.

Sections 5-22 and 26 of this bill provide for the registration and regulation of appraisal management companies.

Section 23 of this bill revises the requirements for continuing education for appraisers.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 645.635 is hereby amended to read as follows:

645.635 The Commission may take action pursuant to NRS 645.630 against any person subject to that section who is guilty of:

1. Offering real estate for sale or lease without the knowledge and consent of the owner or his authorized agent or on terms other than those authorized by the owner or his authorized agent.

2. Negotiating a sale, exchange or lease of real estate, or communicating after such negotiations but before closing, directly with a client if he knows that the client has a brokerage agreement in force in connection with the property granting an exclusive agency, including, without limitation, an exclusive right to sell to another

broker, unless permission in writing has been obtained from the other broker.

3. Failure to deliver within a reasonable time a completed copy of any purchase agreement or offer to buy or sell real estate to the purchaser or to the seller, except as otherwise provided in subsection 4 of NRS 645.254.

4. Failure to deliver to the seller in each real estate transaction, within 10 business days after the transaction is closed, a complete, detailed closing statement showing all of the receipts and disbursements handled by him for the seller, failure to deliver to the buyer a complete statement showing all money received in the transaction from the buyer and how and for what it was disbursed, or failure to retain true copies of those statements in his files. The furnishing of those statements by an escrow holder relieves the broker's, broker-salesman's or salesman's responsibility and must be deemed to be in compliance with this provision.

5. Representing to any lender, guaranteeing agency or any other interested party, verbally or through the preparation of false documents, an amount in excess of the actual sale price of the real estate or terms differing from those actually agreed upon.

6. Failure to produce any document, book or record in his possession or under his control, concerning any real estate transaction under investigation by the Division.

7. Failure to reduce a bona fide offer to writing where a proposed purchaser requests that it be submitted in writing, except as otherwise provided in subsection 4 of NRS 645.254.

8. Failure to submit all written bona fide offers to a seller when the offers are received before the seller accepts an offer in writing and until the broker has knowledge of that acceptance, except as otherwise provided in subsection 4 of NRS 645.254.

9. Refusing because of race, color, national origin, sex or ethnic group to show, sell or rent any real estate for sale or rent to qualified purchasers or renters.

10. Knowingly submitting any false or fraudulent appraisal to any financial institution or other interested person.

11. Any violation of section 4 of this act.

Sec. 2. NRS 645B.670 is hereby amended to read as follows:

645B.670 Except as otherwise provided in NRS 645B.690:

1. For each violation committed by an applicant for a license issued pursuant to this chapter, whether or not he is issued a license, the Commissioner may impose upon the applicant an administrative fine of not more than $10,000 ~~[,]~~ if the applicant:

(a) Has knowingly made or caused to be made to the Commissioner any false representation of material fact;

(b) Has suppressed or withheld from the Commissioner any information which the applicant possesses and which, if submitted by him, would have rendered the applicant ineligible to be licensed pursuant to the provisions of this chapter; or

(c) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner in completing and filing his application for a license or during the course of the investigation of his application for a license.

2. For each violation committed by a mortgage broker, the Commissioner may impose upon the mortgage broker an administrative fine of not more than $10,000, may suspend, revoke or place conditions upon his license, or may do both, if the mortgage broker, whether or not acting as such:

(a) Is insolvent;

(b) Is grossly negligent or incompetent in performing any act for which he is required to be licensed pursuant to the provisions of this chapter;

(c) Does not conduct his business in accordance with law or has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner;

(d) Is in such financial condition that he cannot continue in business with safety to his customers;

(e) Has made a material misrepresentation in connection with any transaction governed by this chapter;

(f) Has suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by the provisions of this chapter which the mortgage broker knew or, by the exercise of reasonable diligence, should have known;

(g) Has knowingly made or caused to be made to the Commissioner any false representation of material fact or has suppressed or withheld from the Commissioner any information which the mortgage broker possesses and which, if submitted by him, would have rendered the mortgage broker ineligible to be licensed pursuant to the provisions of this chapter;

(h) Has failed to account to persons interested for all money received for a trust account;

(i) Has refused to permit an examination by the Commissioner of his books and affairs or has refused or failed, within a reasonable time, to furnish any information or make any report that may be required by the Commissioner pursuant to the provisions of this chapter or a regulation adopted pursuant to this chapter;

(j) Has been convicted of, or entered a plea of nolo contendere to, a felony relating to the practice of mortgage brokers or any crime involving fraud, misrepresentation or moral turpitude;

(k) Has refused or failed to pay, within a reasonable time, any fees, assessments, costs or expenses that the mortgage broker is required to pay pursuant to this chapter or a regulation adopted pursuant to this chapter;

(l) Has failed to satisfy a claim made by a client which has been reduced to judgment;

(m) Has failed to account for or to remit any money of a client within a reasonable time after a request for an accounting or remittal;

(n) Has commingled the money or other property of a client with his own or has converted the money or property of others to his own use;

(o) Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice;

(p) Has repeatedly violated the policies and procedures of the mortgage broker;

(q) Has failed to exercise reasonable supervision over the activities of a mortgage agent as required by NRS 645B.460;

(r) Has instructed a mortgage agent to commit an act that would be cause for the revocation of the license of the mortgage broker, whether or not the mortgage agent commits the act;

(s) Has employed a person as a mortgage agent or authorized a person to be associated with the mortgage broker as a mortgage agent at a time when the mortgage broker knew or, in light of all the surrounding facts and circumstances, reasonably should have known that the person:

(1) Had been convicted of, or entered a plea of nolo contendere to, a felony relating to the practice of mortgage agents or any crime involving fraud, misrepresentation or moral turpitude; or

(2) Had a financial services license or registration suspended or revoked within the immediately preceding 10 years;

(t) ***Has violated section 4 of this act;***

(u) Has failed to pay a tax as required pursuant to the provisions of chapter 363A of NRS; or

~~[(u)]~~ ***(v)*** Has not conducted verifiable business as a mortgage broker for 12 consecutive months, except in the case of a new applicant. The Commissioner shall determine whether a mortgage broker is conducting business by examining the monthly reports of activity submitted by the mortgage broker or by conducting an examination of the mortgage broker.

3. For each violation committed by a mortgage agent, the Commissioner may impose upon the mortgage agent an administrative fine of not more than $10,000, may suspend, revoke or place conditions upon his license, or may do both, if the mortgage agent, whether or not acting as such:

(a) Is grossly negligent or incompetent in performing any act for which he is required to be licensed pursuant to the provisions of this chapter;

(b) Has made a material misrepresentation in connection with any transaction governed by this chapter;

(c) Has suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by the provisions of this chapter which the mortgage agent knew or, by the exercise of reasonable diligence, should have known;

(d) Has knowingly made or caused to be made to the Commissioner any false representation of material fact or has suppressed or withheld from the Commissioner any information which the mortgage agent possesses and which, if submitted by him, would have rendered the mortgage agent ineligible to be licensed pursuant to the provisions of this chapter;

(e) Has been convicted of, or entered a plea of nolo contendere to, a felony relating to the practice of mortgage agents or any crime involving fraud, misrepresentation or moral turpitude;

(f) Has failed to account for or to remit any money of a client within a reasonable time after a request for an accounting or remittal;

(g) Has commingled the money or other property of a client with his own or has converted the money or property of others to his own use;

(h) Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice;

(i) ***Has violated section 4 of this act;***

(j) Has repeatedly violated the policies and procedures of the mortgage broker with whom he is associated or by whom he is employed; or

[~~(j)~~] ***(k)*** Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner or has assisted or offered to assist another person to commit such a violation.

Sec. 3. Chapter 645C of NRS is hereby amended by adding thereto ~~[a new section to read as follows:]~~ the provisions set forth as sections 4 to 21, inclusive, of this act.

Sec. 4. ***1. A person with an interest in a real estate transaction involving an appraisal shall not improperly influence or attempt to improperly influence, through coercion, extortion or bribery, the development, reporting, result or review of the appraisal.***

2. Subsection 1 does not prohibit a person with an interest in a real estate transaction from requesting that an appraiser:

(a) Consider additional appropriate property information;

(b) Provide further detail, substantiation or explanation for the appraiser's conclusion as to value; or

(c) Correct errors in his appraisal.

Sec. 5. ***"Appraisal firm" means a person, limited-liability company, partnership, association or corporation:***

1. Which, for compensation, prepares and communicates appraisals;

2. Whose principal is an appraiser licensed pursuant to chapter 645C of NRS; and

3. Whose principal supervises, trains and reviews work product produced by the persons who produce appraisals for the person, limited-liability company, partnership, association or corporation, including, without limitation, employees and independent contractors.

Sec. 6. ***1. "Appraisal management company" means a person, limited-liability company, partnership, association or corporation which for compensation:***

(a) Functions as a third-party intermediary between an appraiser and a user of real estate appraisal services;

(b) Administers a network of appraisers performing real estate appraisal services as independent contractors;

(c) Enters into an agreement to provide real estate appraisal services with a user of such services and one or more appraisers performing such services as independent contractors; or

(d) Otherwise serves as a third-party broker of appraisal services.

2. The term does not include:

(a) An appraisal firm;

(b) Any person licensed to practice law in this State who orders an appraisal in connection with a bona fide client relationship when that person directly contracts with an independent appraiser;

(c) Any person or entity that contracts with an independent appraiser acting as an independent contractor for the completion of appraisal assignments that the person or entity cannot complete for any reason, including, without limitation, competency, workload, scheduling or geographic location; and

(d) Any person or entity that contracts with an independent appraiser acting as an independent contractor for the completion of a real estate appraisal assignment and, upon the completion of such an assignment, cosigns the appraisal report with the independent appraiser acting as an independent contractor.

Sec. 7. *If the Commission imposes a fine or a penalty or the Division collects an amount for the registration of an appraisal management company, the Commission or Division, as applicable, shall deposit the amount collected with the State Treasurer for credit to the State General Fund. The Commission may present a claim to the State Board of Examiners for recommendation to the Interim Finance Committee if money is needed to pay an attorney's fee or the cost of an investigation, or both.*

Sec. 8. *Except as otherwise provided in section 9 of this act, it is unlawful for any person, limited-liability company, partnership, association or corporation to engage in the business of, act in the capacity of, advertise or assume to act as an appraisal management company without first obtaining a registration from the Division pursuant to sections 7 to 21, inclusive, of this act.*

Sec. 9. *The provisions of sections 7 to 21, inclusive, of this act do not apply to:*

1. A person, limited-liability company, partnership, association or corporation other than an appraisal management company which, in the normal course of its business, employs persons for the performance of real estate appraisal services; or

2. An appraisal management company that enters into not more than nine contracts annually with independent contractors in this State.

Sec. 10. *1. A person who wishes to be registered as an appraisal management company in this State must file a written application with the Division upon a form prepared and furnished by the Division and pay the fee required pursuant to section 15 of this act. An application must:*

(a) State the name, residence address and business address of the applicant and the location of each principal office and branch office at which the appraisal management company will conduct business within this State;

(b) State the name under which the applicant will conduct business as an appraisal management company;

(c) List the name, residence address and business address of each person who will, if the applicant is not a natural person, have an interest in the appraisal management company as a principal, partner, officer, director or trustee, specifying the capacity and title of each such person; and

(d) Include a complete set of the fingerprints of the applicant or, if the applicant is not a natural person, a complete set of the fingerprints of each person who will have an interest in the appraisal management company as a principal, partner, officer, director or trustee, and written permission authorizing the Division to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

2. Except as otherwise provided in sections 7 to 21, inclusive, of this act, the Division shall issue a registration to an applicant as an appraisal management company if:

(a) The application is verified by the Division and complies with the requirements of sections 7 to 21, inclusive, of this act.

(b) The applicant and each general partner, officer or director of the applicant, if the applicant is a partnership, corporation or unincorporated association:

(1) Submits satisfactory proof to the Division that he has a good reputation for honesty, trustworthiness and integrity and displays competence to transact the business of an appraisal management company in a manner which safeguards the interests of the general public.

(2) Has not been convicted of, or entered a plea of nolo contendere to, a felony relating to the practice of appraisal or any crime involving fraud, misrepresentation or moral turpitude.

(3) Has not made a false statement of material fact on his application.

(4) Has not had a license that was issued pursuant to the provisions of this chapter suspended, revoked or voluntarily surrendered in lieu of suspension or revocation within the 10 years immediately preceding the date of his application.

(5) Has not had a professional license that was issued in any other state, district or territory of the United States or any foreign country suspended or revoked within the 10 years immediately preceding the date of his application.

(6) Has not violated any provision of this chapter, a regulation adopted pursuant thereto or an order of the Commission or the Administrator.

(c) The applicant certifies that he:

(1) Has a process in place to verify that each independent contractor that provides services to the appraisal management company is the holder of a license in good standing to practice appraisal in this State.

(2) Has a process in place to review the work of each independent contractor that provides services to the appraisal management company to ensure that those services are conducted in accordance with the Uniform Standards of Professional Appraisal Practice.

(3) Will maintain a detailed record of each request for service it receives and the independent contractor who fulfilled that request.

(d) The applicant discloses whether or not the company uses an appraiser fee schedule. For the purposes of this paragraph, "appraiser fee schedule" means a list of the various real estate appraisal services requested by the appraisal management company from independent contractors and the amount the company will pay for the performance of each service listed.

Sec. 11. *1. In addition to any other requirements set forth in this chapter:*

(a) An applicant for the issuance of a registration as an appraisal management company shall include the social security number of the applicant in the application submitted to the Division.

(b) An applicant for the issuance or renewal of a registration as an appraisal management company shall submit to the Division the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The Division shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the registration; or

(b) A separate form prescribed by the Division.

3. A registration as an appraisal management company may not be issued or renewed by the Division if the applicant:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Division shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 12. *1. In addition to any other requirements set forth in this chapter, an applicant for the issuance or renewal of a registration as an appraisal management company shall submit to the Division the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.*

2. The Division shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the registration; or

(b) A separate form prescribed by the Division.

3. A registration as an appraisal management company may not be issued or renewed by the Division if the applicant:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Division shall advise the applicant to contact the district attorney or other public agency enforcing the

order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 13. ***1. An applicant for registration under sections 7 to 21, inclusive, of this act shall file with the Division, in a form prescribed by regulation, an irrevocable consent appointing the Administrator his agent for service of process in a noncriminal proceeding against him, a successor or personal representative which arises under sections 7 to 21, inclusive, of this act or a regulation or order of the Commission after the consent is filed, with the same force and validity as if served personally on the person filing the consent.***

2. A person who has filed a consent complying with subsection 1 in connection with a previous application for registration need not file an additional consent.

3. If a person, including a nonresident of this State, engages in conduct prohibited or made actionable by sections 7 to 21, inclusive, of this act or a regulation or order of the Commission and the person has not filed a consent to service of process under subsection 1, engaging in the conduct constitutes the appointment of the Administrator as the person's agent for service of process in a noncriminal proceeding against him, a successor or personal representative which grows out of the conduct.

4. Service under subsection 1 or 3 may be made by leaving a copy of the process in the Office of the Administrator, but it is not effective unless:

(a) The plaintiff, who may be the Administrator, sends notice of the service and a copy of the process by registered or certified mail, return receipt requested, to the defendant or respondent at the address set forth in the consent to service of process or, if no consent to service of process has been filed, at the last known address, or takes other steps which are reasonably calculated to give actual notice; and

(b) The plaintiff files an affidavit of compliance with this subsection in the proceeding on or before the return day of the process, if any, or within such further time as the court, or the Administrator in a proceeding before him, allows.

5. Service as provided in subsection 4 may be used in a proceeding before the Administrator or by the Administrator in a proceeding in which he is the moving party.

6. If the process is served under subsection 4, the court, or the Administrator in a proceeding before him, may order continuances as may be necessary to afford the defendant or respondent reasonable opportunity to defend.

Sec. 14. ***A registration issued pursuant to sections 7 to 21, inclusive, of this act expires each year on the date of its issuance, unless it is renewed. To renew such a registration, the registrant must submit to the Division on or before the expiration date:***

1. An application for renewal;

2. The fee required to renew the registration pursuant to section 15 of this act; and

3. All information required to complete the renewal.

Sec. 15. ***A person must pay the following fee to be issued or to renew a registration as an appraisal management company pursuant to sections 7 to 21, inclusive, of this act:***

1. To be issued a registration, the applicant must pay a fee set by the Division by regulation of not more than $2,500 for the principal office and not more than $100 for each branch office. The person must also pay such additional expenses incurred in the process of investigation as the Division deems necessary.

2. To renew a registration, the applicant must pay a fee set by the Division by regulation of not more than $500 for the principal office and not more than $100 for each branch office.

Sec. 16. ***1. If an appraisal management company is not a natural person, the company must designate a natural person as a qualified employee to act on behalf of the appraisal management company.***

2. The Commission shall adopt regulations regarding a qualified employee, including, without limitation, regulations that establish:

(a) A definition for the term "qualified employee";

(b) Any duties of a qualified employee; and

(c) Any requirements regarding a qualified employee.

Sec. 17. ***1. It is unlawful for an employee, director, officer or agent of an appraisal management company to influence or attempt to influence the development, reporting or review of an appraisal through coercion, extortion, collusion, compensation, instruction, inducement, intimidation, bribery or other means, including, without limitation:***

(a) Withholding or threatening to withhold timely payment for an appraisal in order to influence or attempt to influence an appraisal;

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

(c) Terminating an agreement with an independent contractor without prior written notice;

(d) Directly or indirectly promising future business for or increased compensation to an independent contractor;

(e) Conditioning a request for appraisal services or the payment of any compensation on the opinion, conclusion or valuation to be reached or on a preliminary estimate or opinion requested from an independent contractor;

(f) Requesting an independent contractor to provide an estimated, predetermined or desired valuation in an appraisal report or providing estimated values or comparable sales at any time before the completion of appraisal services by the independent contractor;

(g) Providing to an independent contractor an anticipated, estimated or desired value for a subject property or proposed or target amount to be loaned to a borrower, other than a copy of the sales contract for purchase transactions;

(h) Providing an independent contractor or a person or entity associated with the independent contractor stock or other financial or nonfinancial benefits;

(i) Obtaining, using or paying for a second or subsequent appraisal or ordering an automated valuation model in connection with a loan secured by a lien on real property unless:

(1) There is a reasonable basis to believe that the initial appraisal was incorrect and such basis is disclosed in writing to the borrower; or

(2) The second or subsequent appraisal or automated valuation model is performed pursuant to a bona fide appraisal review or quality control process;

(j) Accepting a fee for performing appraisal management services if the fee is contingent on:

(1) An appraisal report having a predetermined analysis, opinion or conclusion;

(2) The analysis, opinion, conclusion or valuation reached in an appraisal report; or

(3) The consequences resulting from an appraisal assignment; or

(k) Any other act or practice that impairs or attempts to impair an appraiser's independence, objectivity or impartiality.

2. Nothing in this section shall be construed as prohibiting an appraisal management company from requesting that an independent contractor provide additional information regarding the basis for a valuation or correct objective factual errors in an appraisal report.

Sec. 18. ***It is unlawful for an appraisal management company to alter, modify or revise a completed appraisal report submitted by an independent contractor, including, without limitation, removing the signature of the appraiser.***

Sec. 19. ***1. If an appraisal management company terminates its association with an independent contractor for any reason, the appraisal management company shall, not later than the third business day following the date of termination, deliver to the independent contractor or send by certified mail to the last known residence address of the independent contractor a written statement which advises him of his termination.***

2. An independent contractor who is aggrieved by a termination may lodge a complaint with the Commission. The Commission may consider whether the appraisal management company violated the provisions of sections 7 to 21, inclusive, of this act and may revoke, suspend or deny renewal of a registration in the manner set forth in NRS 645C.500 to 645C.550, inclusive.

Sec. 20. ***1. If the Division receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a holder of a registration, the Division shall deem the registration to be suspended at the end of the 30th day after the date the court order was issued unless the Division receives a letter issued to the holder of the registration by the district attorney or other public agency pursuant to NRS 425.550 stating that the holder of the registration has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.***

2. The Division shall reinstate a registration that has been suspended by a district court pursuant to NRS 425.540 if the Division receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the holder of the registration stating that the holder of the registration has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

Sec. 21. ***1. For each violation committed by an applicant for a registration issued pursuant to sections 7 to 21, inclusive, of this act, whether or not he is issued a registration, the Commission may impose upon the applicant an administrative fine of not more than $10,000 if the applicant:***

(a) Has knowingly made or caused to be made to the Commission any false representation of material fact;

(b) Has suppressed or withheld from the Commission any information which the applicant possesses and which, if submitted by him, would have rendered the applicant ineligible to be registered pursuant to the provisions of sections 7 to 21, inclusive, of this act; or

(c) Has violated any provision of sections 7 to 21, inclusive, of this act, a regulation adopted pursuant to sections 7 to 21, inclusive, of this act or an order of the Commission in completing and filing his application for a registration or during the course of the investigation of the application for a registration.

2. For each violation committed by an appraisal management company, the Commission may impose upon the appraisal management company an administrative fine of not more than $10,000, may suspend, revoke or place conditions on the registration or may do both, if the appraisal management company, whether or not acting as such:

(a) Is grossly negligent or incompetent in performing any act for which the appraisal management company is required to be registered pursuant to sections 7 to 21, inclusive, of this act;

(b) Does not conduct its business in accordance with the law or has violated any provision of this chapter, a regulation adopted pursuant thereto or an order of the Commission;

(c) Has made a material representation in connection with any transaction governed by this chapter;

(d) Has suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by the provisions of this chapter which the appraisal management company knew or, by the exercise of reasonable diligence, should have known;

(e) Has knowingly made or caused to be made to the Commission any false representation of material fact or has suppressed or withheld from the Commission any information which the appraisal management company possesses and which, if submitted by the appraisal management company, would have rendered the appraisal management company ineligible to be registered pursuant to the provisions of sections 7 to 21, inclusive, of this act;

(f) Has been convicted of, or entered a plea of nolo contendere to, a felony relating to the practice of appraisal or any crime involving fraud, misrepresentation or moral turpitude; or

(g) Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice.

Sec. 22. NRS 645C.010 is hereby amended to read as follows:

645C.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 645C.020 to 645C.130, inclusive, ***and sections 5 and 6 of this act*** have the meanings ascribed to them in those sections.

Sec. 23. NRS 645C.430 is hereby amended to read as follows:

645C.430 1. An appraiser must complete the requirements for continuing education prescribed by regulations adopted by the Commission as a condition to the renewal of an active certificate or license or the reinstatement of an inactive certificate or license. Until the Commission adopts those regulations, the standards for continuing education are as follows:

(a) For the renewal of an active certificate or license, not less than 30 hours of instruction within the 2 years immediately preceding the application for renewal.

(b) For the reinstatement of a certificate or license which has been on inactive status ***,*** **[**~~:~~

~~(1) For not more than 2 years, or for more than 2 years including the initial period of certification or licensure, not less than 30 hours of instruction.~~

~~(2) For more than 2 years, no part of which includes the initial period of certification or licensure,~~**]** not less than 15 hours of instruction per year for each year that the certificate or license was on inactive status ***.*** **[**~~, not to exceed 60 hours of instruction.~~**]**

➥ The required hours of instruction must include the most recent edition of the 7-hour National Uniform Standards of Professional Appraisal Practice Update Course.

2. As used in this section, an "hour of instruction" means at least 50 minutes of actual time spent receiving instruction.

Sec. 24. NRS 645C.460 is hereby amended to read as follows:

645C.460 1. Grounds for disciplinary action against a certified or licensed appraiser or registered intern include:

(a) Unprofessional conduct;

(b) Professional incompetence;

(c) ***Any violation of section 4 of this act;***

(d) A criminal conviction for a felony relating to the practice of appraisers or any offense involving moral turpitude; and

[~~(d)~~**]** ***(e)*** The suspension **[**~~or~~**]** ***,*** revocation ***or voluntary surrender in lieu of other discipline*** of a registration card, certificate, license or permit to act as an appraiser in any other jurisdiction.

2. If grounds for disciplinary action against an appraiser or intern exist, the Commission may do one or more of the following:

(a) Revoke or suspend his certificate, license or registration card.

(b) Place conditions upon his certificate, license or registration card, or upon the reissuance of a certificate, license or registration card revoked pursuant to this section.

(c) Deny the renewal of his certificate, license or registration card.

(d) Impose a fine of not more than $10,000 for each violation.

3. If a certificate, license or registration card is revoked by the Commission, another certificate, license or registration card must not be issued to the same appraiser or intern for at least 1 year after the date of the revocation, or at any time thereafter except in the sole discretion of the Administrator, and then only if the appraiser or intern satisfies all the requirements for an original certificate, license or registration card.

4. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.

Sec. 25. NRS 645C.470 is hereby amended to read as follows:

645C.470 A certified or licensed appraiser or registered intern is guilty of unprofessional conduct if he:

1. Willfully uses a trade name, service mark or insigne indicating membership in an organization for appraisers of which he is not a member;

2. Violates any order of the Commission, agreement with the Division, provision of this chapter or provision of any regulation adopted pursuant to this chapter;

3. Fails to disclose to any person with whom he is dealing any material fact or other information he knows, or in the exercise of reasonable care and diligence should know, concerning or relating to any real estate he appraises, including any interest he has in the real estate;

4. Knowingly communicates a false or fraudulent appraisal to any interested person or otherwise engages in any deceitful, fraudulent or dishonest conduct;

5. ~~[Enters]~~ ***Prepares or provides or enters*** into a contract to prepare ***or provide*** an appraisal ~~[by which]~~ ***if*** his compensation is based partially or entirely on ***, or is otherwise affected by,*** the amount of the appraised value of the real estate;

6. Before obtaining his license or registration card, engaged in any conduct of which the Division is not aware that would be a ground for the denial of a certificate, license or registration card; or

7. Makes a false statement of material fact on his application.

Sec. 26. NRS 645C.555 is hereby amended to read as follows:

645C.555 1. In addition to any other remedy or penalty, the Commission may impose an administrative fine against any person who knowingly:

(a) Engages or offers to engage in any activity for which a certificate, license ***, registration*** or registration card or any type of authorization is required pursuant to this chapter, or any regulation adopted pursuant thereto, if the person does not hold the required certificate, license ***, registration*** or registration card or has not been given the required authorization; or

(b) Assists or offers to assist another person to commit a violation described in paragraph (a).

2. If the Commission imposes an administrative fine against a person pursuant to this section, the amount of the administrative fine may not exceed the amount of any gain or economic benefit that the person derived from the violation or $5,000, whichever amount is greater.

3. In determining the appropriate amount of the administrative fine, the Commission shall consider:

(a) The severity of the violation and the degree of any harm that the violation caused to other persons;

(b) The nature and amount of any gain or economic benefit that the person derived from the violation;

(c) The person's history or record of other violations; and

(d) Any other facts or circumstances that the Commission deems to be relevant.

4. Before the Commission may impose the administrative fine, the Commission must provide the person with notice and an opportunity to be heard.

5. The person is entitled to judicial review of the decision of the Commission in the manner provided by chapter 233B of NRS.

6. The provisions of this section do not apply to a person who engages or offers to engage in activities within the purview of this chapter if:

(a) A specific statute exempts the person from complying with the provisions of this chapter with regard to those activities; and

(b) The person is acting in accordance with the exemption while engaging or offering to engage in those activities.

Sec. 27. NRS 645E.670 is hereby amended to read as follows:

645E.670 1. For each violation committed by an applicant, whether or not he is issued a license, the Commissioner may impose upon the applicant an administrative fine of not more than $10,000 ~~[,]~~ if the applicant:

(a) Has knowingly made or caused to be made to the Commissioner any false representation of material fact;

(b) Has suppressed or withheld from the Commissioner any information which the applicant possesses and which, if submitted by him, would have rendered the applicant ineligible to be licensed pursuant to the provisions of this chapter; or

(c) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner in completing and filing his application for a license or during the course of the investigation of his application for a license.

2. For each violation committed by a licensee, the Commissioner may impose upon the licensee an administrative fine of not more than $10,000, may suspend, revoke or place conditions upon his license, or may do both, if the licensee, whether or not acting as such:

(a) Is insolvent;

(b) Is grossly negligent or incompetent in performing any act for which he is required to be licensed pursuant to the provisions of this chapter;

(c) Does not conduct his business in accordance with law or has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner;

(d) Is in such financial condition that he cannot continue in business with safety to his customers;

(e) Has made a material misrepresentation in connection with any transaction governed by this chapter;

(f) Has suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by the provisions of this chapter which the licensee knew or, by the exercise of reasonable diligence, should have known;

(g) Has knowingly made or caused to be made to the Commissioner any false representation of material fact or has suppressed or withheld from the Commissioner any information which the licensee possesses and which, if submitted by him, would have rendered the licensee ineligible to be licensed pursuant to the provisions of this chapter;

(h) Has failed to account to persons interested for all money received for a trust account;

(i) Has refused to permit an examination by the Commissioner of his books and affairs or has refused or failed, within a reasonable time, to furnish any information or make any report that may be required by the Commissioner pursuant to the provisions of this chapter or a regulation adopted pursuant to this chapter;

(j) Has been convicted of, or entered a plea of nolo contendere to, a felony relating to the practice of mortgage bankers or any crime involving fraud, misrepresentation or moral turpitude;

(k) Has refused or failed to pay, within a reasonable time, any fees, assessments, costs or expenses that the licensee is required to pay pursuant to this chapter or a regulation adopted pursuant to this chapter;

(l) Has failed to pay a tax as required pursuant to the provisions of chapter 363A of NRS;

(m) Has failed to satisfy a claim made by a client which has been reduced to judgment;

(n) Has failed to account for or to remit any money of a client within a reasonable time after a request for an accounting or remittal;

(o) ***Has violated section 4 of this act;***

(p) Has commingled the money or other property of a client with his own or has converted the money or property of others to his own use; or

~~[(p)]~~ ***(q)*** Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice.

3. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.

Sec. 28. 1. This section, sections 5 to 11, inclusive, 13 to 22, inclusive, and 26 of this act become effective upon passage and approval for the purpose of adopting regulations and on January 1, 2010, for all other purposes.

2. Sections 1 to 4, inclusive, 23, 24, 25 and 27 of this act become effective on July 1, 2009.

3. The provisions of sections 11 and 20 of this act expire by limitation on the date on which the provisions of 42 U.S.C. § 666 requiring each state to establish procedures under which the state has authority to withhold or suspend, or to restrict the use of professional, occupational and recreational licenses of persons who:

(a) Have failed to comply with a subpoena or warrant relating to a proceeding to determine the paternity of a child or to establish or enforce an obligation for the support of a child; or

(b) Are in arrears in the payment for the support of one or more children,

➥ are repealed by the Congress of the United States.

4. Section 12 of this act becomes effective on the date on which the provisions of 42 U.S.C. § 666 requiring each state to establish procedures under which the state has authority to withhold

or suspend, or to restrict the use of professional, occupational and recreational licenses of persons who:

(a) Have failed to comply with a subpoena or warrant relating to a procedure to determine the paternity of a child or to establish or enforce an obligation for the support of a child; or

(b) Are in arrears in the payment for the support of one or more children,

➥ are repealed by the Congress of the United States.

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Senate Bill No. 39–Committee on Commerce and Labor

CHAPTER..........

AN ACT relating to appraisers; incorporating various requirements provided in section 1473 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that govern appraisers who are certified or licensed in this State and appraisal management companies that are registered in this State; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

In 2010, the United States Congress enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act. (Pub. L. No. 111-203) Section 1473 of the Dodd-Frank Act amended various sections of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 12 U.S.C. §§ 3331 to 3356, as it relates to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council and created additional requirements for appraisal management companies. This bill incorporates the new requirements that were created by the Dodd-Frank Act into Nevada Revised Statutes.

Section 1473 of the Dodd-Frank Act created a new definition for "appraisal management company." (12 U.S.C. § 3350(11)) **Section 13** of this bill incorporates this new definition by amending the definition for "appraisal management company." **Sections 2-4** of this bill additionally incorporate federal law by creating new definitions that are copied from 12 U.S.C. § 3350. **Section 12** of this bill makes conforming changes.

Section 1473 of the Dodd-Frank Act requires each state with an appraiser certifying and licensing agency to transmit reports on the issuance of any sanctions, disciplinary actions, license and certification revocations and license and certification suspensions on a timely basis to the national registry of the Appraisal Subcommittee. (12 U.S.C. § 3338(a)(2)) The Dodd-Frank Act further requires the Appraisal Subcommittee to monitor each state appraiser certifying and licensing agency to determine whether such an agency reports complaints and disciplinary actions on a timely basis to the national registry on appraisers maintained by the Appraisal Subcommittee. (12 U.S.C. § 3347(a)(5)) **Section 5** of this bill incorporates these requirements by requiring the Real Estate Division of the Department of Business and Industry to report to the national registry of the Appraisal Subcommittee any: (1) sanction, final disciplinary action or revocation, suspension or denial to renew a certificate, license or registration card taken against an appraiser or intern; and (2) violation by an appraiser or intern of existing law. The Dodd-Frank Act requires each state to transmit similar reports concerning appraisal management companies. (12 U.S.C. §§ 3338(a)(3), 3347(a)(5)); 12 C.F.R. §§ 34.213(a)(7), 225.193(a)(7), 323.11(a)(7), 1026.42(h), 1222.23(a)(7)) **Section 11** of this bill incorporates these requirements by requiring the Division to report to the national registry of the Appraisal Subcommittee any: (1) supervisory activity, investigation, final disciplinary action or revocation, suspension or denial to renew a registration taken against an appraisal management company; and (2) violation by an appraisal management company of existing law.

Section 1473 of the Dodd-Frank Act requires the Appraisal Subcommittee to monitor each state appraiser certifying and licensing agency to determine if such an agency: (1) processes complaints and completes investigations in a reasonable time period; and (2) appropriately disciplines sanctioned appraisers and appraisal management companies. (12 U.S.C. § 3347(a)(2)&(3);

12 C.F.R. §§ 34.213(a)(5)&(6), 225.193(a)(5)&(6), 323.11(a)(5)&(6), 1026.42(h), 1222.23(a)(5)&(6)) Existing law sets forth such requirements for appraisers. (NRS 645C.460-645C.540) **Sections 6-11** of this bill create similar provisions that govern appraisal management companies to comply with section 1473 of the Dodd-Frank Act.

Section 1473 of the Dodd-Frank Act requires each state with an appraiser certifying and licensing agency to: (1) collect annual registry fees from appraisers and appraisal management companies; and (2) remit these annual registry fees to the Federal Financial Institutions Examination Council or the Appraisal Subcommittee on an annual basis. (12 U.S.C. § 3338(a)(4)) **Sections 14, 15, 18, 21 and 26** of this bill incorporate this requirement for the State to collect and remit the annual registry fee.

Section 1473 of the Dodd-Frank Act authorizes a state-licensed appraiser to perform a 1-to-4 unit, single family residential appraisal unless the size and complexity requires a state-certified appraiser. The size and complexity requires a state-certified appraiser when the appraisal is an appraisal for which the property to be appraised, the form of ownership, the property characteristics or the market conditions are atypical. (12 U.S.C. § 3342(2)) **Section 15** of this bill adds language to clarify the type of appraisals a licensed appraiser in Nevada may perform.

Appraisal management companies must require that appraisals are conducted independently and free from inappropriate influence and coercion pursuant to the appraisal independence standards established under 15 U.S.C. § 1639e. (12 U.S.C. § 3353(a)(4)) **Sections 20 and 22** of this bill comply with federal law by requiring appraisal independence through compliance with the appraisal independence requirements in 15 U.S.C. §1639e.

Section 1473 of the Dodd-Frank Act provides that an appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a federal financial institution regulatory agency shall not be required to register with a state. (12 U.S.C. § 3353(c)) **Section 21** complies with federal law by providing that such appraisal management companies do not have to register with this State.

Section 1473 of the Dodd-Frank Act requires appraisal management companies to verify that only licensed or certified appraisers are used for federally related transactions. (12 U.S.C. § 3353(a)(2)) Federal regulations adopted pursuant to section 1473 of the Dodd-Frank Act require a state certifying and licensing agency that is registering an appraisal management company to verify that the appraisers on the appraisal management company's appraiser panel hold valid state certifications or licenses. (12 C.F.R. §§ 34.213(a)(4), 225.193(a)(4), 323.11(a)(4), 1026.42(h), 1222.23(a)(4)) **Section 22** incorporates these requirements.

Federal regulations adopted pursuant to section 1473 of the Dodd-Frank Act require a state certifying and licensing agency that is registering an appraisal management company to review and approve or deny an appraisal management company's application for the initial registration and the renewal registration. (12 C.F.R. §§ 34.213(a)(1)&(2), 225.193(a)(1)&(2), 323.11(a)(1)&(2), 1026.42(h), 1222.23(a)(1)&(2)) **Sections 22 and 24** incorporate this requirement by requiring the Division to deny such applications in certain situations. **Section 22** additionally provides a procedure for an applicant who is denied registration to reapply for such registration in certain situations.

Section 1473 of the Dodd-Frank Act provides that an appraisal management company shall not be registered by a state if such company is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation or revoked in any state. (12 U.S.C. § 3353(d); 12 C.F.R. §§ 34.214, 225.194, 323.12, 1026.42(h), 1222.24) **Section 27** of this bill incorporates this federal requirement by requiring the Commission of Appraisers of Real Estate to revoke the registration of an appraisal management company if the appraiser license or certificate of one of its owners is refused, denied, cancelled, surrendered or revoked in any state.

EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 645C of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 11, inclusive, of this act.

Sec. 2. ***"Appraisal Subcommittee" means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.***

Sec. 3. ***"Federal financial institutions regulatory agency" means the:***

1. Board of Governors of the Federal Reserve System;

2. Federal Deposit Insurance Corporation;

3. Office of the Comptroller of the Currency;

4. National Credit Union Administration;

5. Federal Housing Finance Agency; or

6. Consumer Financial Protection Bureau.

Sec. 4. ***"Federally related transaction" means any financial transaction related to real estate which:***

1. A federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for or regulates; and

2. Requires the services of an appraiser.

Sec. 5. ***The Division shall report to the national registry of the Appraisal Subcommittee, pursuant to 12 U.S.C. § 3338, any:***

1. Sanction, final disciplinary action or revocation, suspension or denial to renew a certificate, license or registration card taken by the Commission against an appraiser or intern; and

2. Violation by an appraiser or intern of this chapter or any regulations adopted pursuant thereto.

Sec. 6. ***1. If an application for renewal of a registration as an appraisal management company is denied pursuant to NRS 645C.665, the Division shall notify the registrant within 15 days after its decision.***

2. If the registrant, within 30 days after receipt of the notice denying the application for renewal, files a written request containing allegations which, if true, qualify the registrant for

renewal of a registration, the President of the Commission shall set the matter for a hearing to be conducted within 90 days after receipt of the registrant's request.

3. The hearing must be held at a time and place prescribed by the Commission. At least 15 days before the date set for the hearing, the Division shall serve the registrant with written notice of the hearing and include with the notice an exact copy of any protests filed, together with copies of all communications, reports, affidavits or depositions in possession of the Division relevant to the matter in question. The notice may be served by personal delivery to the registrant, or by certified mail to the registrant's last known business or residential address.

4. The hearing may be held by the Commission or a majority thereof, and a hearing must be held if the registrant so desires. A record of the proceedings, or any part thereof, must be made available to each party upon the payment to the Division of the reasonable cost of transcription.

5. The Commission shall render a decision on the matter within 60 days after the final hearing and notify the parties to the proceedings, in writing, of its ruling, order or decision within 15 days after it is made.

Sec. 7. *1. The procedure set forth in this section and sections 8 and 9 of this act must be followed before the Commission revokes or suspends a registration as an appraisal management company.*

2. Upon the initiation of a complaint by the Administrator, the Administrator shall set the matter for a hearing and schedule a date for the hearing before the Commission. The registrant is entitled to appear at the hearing in person and to be represented by counsel.

3. The Commission shall hold the hearing within 90 days after the filing of a complaint by the Administrator. The hearing may be continued by the Commission upon its own motion, or at the discretion of the Commission upon the written request of the Division or registrant, for good cause shown.

4. The Division shall give written notice of the date, time and place of the hearing, together with a copy of the complaint and copies of all communications, reports, affidavits or depositions in the possession of the Division relevant to the complaint, to the registrant not less than 30 days before the hearing. The Division may present evidence which the Division obtains after the notice was given only if the Division shows that the evidence was not available upon diligent investigation before the notice was given

and that the evidence was given or communicated to the registrant immediately after the evidence was obtained.

5. Notice pursuant to this section is deemed to be given upon personal delivery to the registrant, or upon mailing by certified mail to the registrant's last known address.

Sec. 8. ***1. The registrant must file an answer to the charges with the Commission not later than 30 days after service of the notice and other documents described in section 7 of this act. The answer must contain an admission or denial of the allegations contained in the complaint and any defense upon which the registrant will rely. If no answer is filed within the period described in this subsection, the Division may, after notice to the registrant is given in the manner provided in subsection 5 of section 7 of this act, move the Commission for the entry of a default against the registrant.***

2. The answer may be served by delivery to the Commission, or by mailing the answer by certified mail to the principal office of the Division.

3. No proceeding to suspend or revoke a registration as an appraisal management company may be maintained unless it is commenced by giving notice to the registrant within 5 years after the commission or omission of the alleged grounds to suspend or revoke the registration as an appraisal management company, except that:

(a) If the charges are based upon a misrepresentation or failure to disclose, the period does not commence until the discovery of facts which do or should lead to the discovery of the misrepresentation or failure to disclose; and

(b) The period is suspended during the pendency of any action or proceeding, to which the Division, registrant or one of the affiliated appraisers of the registrant is a party, which involves the conduct of the registrant or the affiliated appraiser in a transaction to which the alleged grounds to suspend or revoke the registration are related.

Sec. 9. ***The Commission shall render a decision within 15 days after a hearing and serve the registrant with a written notice of the decision within 60 days after the hearing. If the decision is adverse to the registrant, the notice must include the date upon which the decision becomes effective, which must not be less than 30 days after the date of the notice.***

Sec. 10. ***The expiration, revocation or suspension of a registration as an appraisal management company by operation of law or by order or decision of the Commission or a court of***

competent jurisdiction, or the voluntary surrender of a registration by an appraisal management company, does not:

1. Prohibit the Commission or Division from initiating or continuing an investigation of, or an action or disciplinary proceeding against, the appraisal management company, or any affiliated appraiser of the appraisal management company, as authorized pursuant to the provisions of this chapter or the regulations adopted pursuant thereto; or

2. Prevent the imposition or collection of any fine or penalty authorized pursuant to the provisions of this chapter or the regulations adopted pursuant thereto against the appraisal management company.

Sec. 11. ***The Division shall report to the national registry of the Appraisal Subcommittee, pursuant to 12 U.S.C. § 3338, any:***

1. Supervisory activity, investigation, final disciplinary action or revocation, suspension or denial to renew of a registration taken by the Commission against an appraisal management company; and

2. Violation by an appraisal management company of this chapter or any regulations adopted pursuant thereto.

Sec. 12. NRS 645C.010 is hereby amended to read as follows:

645C.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 645C.020 to 645C.130, inclusive, ***and sections 2, 3 and 4 of this act*** have the meanings ascribed to them in those sections.

Sec. 13. NRS 645C.034 is hereby amended to read as follows:

645C.034 1. "Appraisal management company" means a person, limited-liability company, partnership, association or corporation which ***,*** for compensation:

(a) Functions as a third-party intermediary between an appraiser ***valuing properties which secure mortgage loans or mortgages incorporated into a securitization*** and ~~[a]~~ ***:***

(1) A creditor of a consumer credit transaction secured by the principal dwelling of a consumer or other principal in secondary mortgage markets; or

(2) Any other user of real estate appraisal services;

(b) ~~[Administers]~~ ***Recruits, selects, retains and administers*** a network ***or panel*** of appraisers ***in this State or in the United States,*** performing real estate appraisal services as independent contractors;

(c) Enters into an agreement to provide real estate appraisal services with a user of such services and one or more appraisers performing such services as independent contractors; ~~[or]~~

(d) ***Manages the process of having an appraisal performed, including, without limitation, providing administrative duties such as:***

(1) Receiving appraisal orders and appraisal reports;

(2) Submitting completed appraisal reports to creditors and underwriters;

(3) Collecting fees from creditors and underwriters for services provided; and

(4) Reimbursing appraisers for services performed;

(e) Reviews and verifies the work of appraisers;

(f) Contracts with certified appraisers and licensed appraisers to perform appraisal assignments; or

(g) Otherwise serves as a third-party broker of appraisal services.

2. The term does not include:

(a) An appraisal firm;

(b) Any person licensed to practice law in this State who orders an appraisal in connection with a bona fide client relationship when that person directly contracts with an independent appraiser;

(c) Any person or entity that contracts with an independent appraiser acting as an independent contractor for the completion of appraisal assignments that the person or entity cannot complete for any reason, including, without limitation, competency, workload, scheduling or geographic location; and

(d) Any person or entity that contracts with an independent appraiser acting as an independent contractor for the completion of a real estate appraisal assignment and, upon the completion of such an assignment, cosigns the appraisal report with the independent appraiser acting as an independent contractor.

Sec. 14. NRS 645C.240 is hereby amended to read as follows:

645C.240 1. Except as otherwise provided in subsections 2 and 3, all fees, penalties and other charges received by the Division pursuant to this chapter must be deposited with the State Treasurer for credit to the State General Fund.

2. Fees received by the Division:

(a) From the sale of publications must be retained by the Division to pay the costs of printing and distributing publications.

(b) For examinations must be retained by the Division to pay the costs of the administration of examinations.

➥ Any surplus of the fees retained by the Division for the administration of examinations must be deposited with the State Treasurer for credit to the State General Fund.

3. The portion of the fees collected by the Division pursuant to NRS 645C.450 ***and 645C.680*** for the issuance or renewal of a certificate or license as a residential appraiser ***,*** ~~[or]~~ the issuance or renewal of a certificate as a general appraiser ***or the issuance or renewal of a registration as an appraisal management company*** which is used for payment of the ***annual*** registry fee to the Federal Financial Institutions Examination Council ***or the Appraisal Subcommittee*** pursuant to 12 U.S.C. § 3338, must be retained by the Division for payment to the Federal Financial Institutions Examination Council ~~[.]~~ ***or the Appraisal Subcommittee on an annual basis.***

4. Money for the support of the Division in carrying out the provisions of this chapter must be provided by direct legislative appropriation and be paid out on claims as other claims against the State are paid.

Sec. 15. NRS 645C.280 is hereby amended to read as follows:

645C.280 1. An appraiser may obtain from the Division:

(a) A license as a residential appraiser, which authorizes him or her to perform an appraisal of real estate suitable for or consisting of no more than four residential units in any one transaction, if:

(1) The total value does not exceed $1,000,000 and the complexity of the transaction does not, under the regulations of a federal agency or the ~~[standards adopted]~~ ***classifications and qualifications established*** by the ~~[Appraisal Subcommittee of the Federal Financial Institutions Examination Council,]~~ ***Appraiser Qualifications Board of the Appraisal Foundation,*** require a certified appraiser; or

(2) The property is not a complex property;

(b) A certificate as a residential appraiser, which authorizes him or her to perform an appraisal of real estate suitable for or consisting of no more than four residential units in any one transaction, without regard to value or complexity; or

(c) A certificate as a general appraiser, which authorizes him or her to perform any appraisal.

2. A person certified or licensed as a residential appraiser may, under the direct supervision of a person certified as a general appraiser, assist in the preparation and communication of an appraisal that is outside the scope of the certificate or license.

3. ***Only a person certified or licensed as an appraiser from whom the Division has collected the annual registry fee to be paid to the Federal Financial Institutions Examination Council pursuant to 12 U.S.C. § 3338 and who is in active status on the***

National Registry of Appraisers is eligible to perform federally related transactions.

4. The Commission may establish, by regulation, additional classifications of licensure or certification, and the qualifications therefor, if necessary to comply with classifications and qualifications established by the **[**~~Appraisal Subcommittee of the Federal Financial Institutions Examination Council.~~**]** ***Appraiser Qualifications Board of the Appraisal Foundation.***

Sec. 16. NRS 645C.320 is hereby amended to read as follows:

645C.320 1. The Administrator shall issue a certificate or license, as appropriate, to any person:

(a) Of good moral character, honesty and integrity;

(b) Who meets the educational requirements and has the experience prescribed in NRS 645C.330 or any regulation adopted pursuant to that section;

(c) Who, except as otherwise provided in NRS 645C.360, has satisfactorily passed a written examination approved by the Commission; and

(d) Who submits all information required to complete an application for a certificate or license.

2. The Administrator may deny an application for a certificate or license to any person who:

(a) Has been convicted of, or entered a plea of guilty, guilty but mentally ill or nolo contendere to, forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or any crime involving moral turpitude;

(b) Makes a false statement of a material fact on his or her application; or

(c) Has ***ever*** had a certificate, license or registration card suspended or revoked pursuant to this chapter, or a certificate, license or permit to act as an appraiser suspended or revoked in any other jurisdiction ***.*** **[**~~, within the 10 years immediately preceding the date of application.~~**]**

Sec. 17. NRS 645C.350 is hereby amended to read as follows:

645C.350 1. The Division shall cause examinations to be conducted not less than once every 6 months.

2. An applicant may ***not*** take the written examination before completing the requirements for experience **[**~~, but a certificate or license must not be issued until all the requirements are met.~~**]** ***and education.***

3. The Division shall notify each applicant in writing whether the applicant passed or failed the examination, or has alternatively

satisfied the requirements for a certificate, license or permit pursuant to NRS 645C.360, as determined by the Commission.

Sec. 18. NRS 645C.450 is hereby amended to read as follows:

645C.450 1. The following fees may be charged and collected by the Division:

Application for a certificate, license or registration card	$100
Issuance or renewal of a certificate or license as a residential appraiser	320
Issuance or renewal of a certificate as a general appraiser	420
Issuance of a permit	115
Issuance or renewal of a registration card	190
Issuance of a duplicate certificate or license for an additional office	50
Change in the name or location of a business	20
Reinstatement of an inactive certificate or license	30
Annual approval of a course of instruction offered in preparation for an initial certificate or license	100
Original approval of a course of instruction offered for continuing education	100
Renewal of approval of a course of instruction offered for continuing education	50

2. The Division shall adopt regulations which establish the fees to be charged and collected by the Division to pay the costs of:

(a) Any examination for a certificate or license, including any costs which are necessary for the administration of such an examination.

(b) Any investigation of a person's background.

3. The Division shall collect and remit the annual registry fee to the Federal Financial Institutions Examination Council or to the Appraisal Subcommittee, as appropriate, pursuant to 12 U.S.C. § 3338 and the rules or regulations issued thereunder.

Sec. 19. NRS 645C.530 is hereby amended to read as follows:

645C.530 1. Any member of the Commission ***or investigatory staff of the Division*** may administer oaths and issue subpoenas to compel the attendance of witnesses and the production of books and papers.

2. If any witness refuses to attend, testify or produce any books and papers as required by the subpoena, ~~[the Administrator or]~~ the President of the Commission ***or the Administrator*** may report to the district court by petition, setting forth that:

(a) Due notice has been given of the time and place of attendance of the witness or the production of the books and papers;

(b) The witness has been subpoenaed by the Commission ***or Division*** pursuant to this section; and

(c) The witness has failed or refused to attend or produce the books and papers required by the subpoena before the Commission ~~[,]~~ ***or Division,*** or has refused to answer questions propounded to him or her,

➥ and asking for an order of the court compelling the witness to attend and testify or produce the books and papers before the Commission ~~[.]~~ ***or Division.***

3. Upon such a petition, the court shall enter an order directing the witness to appear before the court at a time and place to be fixed by the court in its order, the time to be not more than 10 days after the date of the order, and then and there show cause why the witness has not attended, testified or produced the books or papers before the Commission ~~[.]~~ ***or Division.*** A certified copy of the order must be served upon the witness.

4. If it appears to the court that the subpoena was regularly issued by the Commission ~~[,]~~ ***or Division,*** the court shall enter an order that the witness appear before the Commission ~~[,]~~ ***or Division,*** at the time and place fixed in the order, and testify or produce the required books and papers. Upon failure to obey the order the witness must be dealt with as for contempt of court.

Sec. 20. NRS 645C.557 is hereby amended to read as follows:

645C.557 1. A person with an interest in a real estate transaction involving an appraisal shall not improperly influence or attempt to improperly influence, through coercion, extortion or bribery, the development, reporting, result or review of the appraisal.

2. ***An appraiser shall conduct all appraisals independently, as required by the appraisal independence requirements pursuant to 15 U.S.C. § 1639e and the rules or regulations issued thereunder.***

3. Subsection 1 does not prohibit a person with an interest in a real estate transaction from requesting that an appraiser:

(a) Consider additional appropriate property information;

(b) Provide further detail, substantiation or explanation for the appraiser's conclusion as to value; or

(c) Correct errors in an appraisal.

Sec. 21. NRS 645C.600 is hereby amended to read as follows:

645C.600 The provisions of NRS 645C.600 to 645C.740, inclusive, ***and sections 6 to 11, inclusive, of this act*** do not apply to:

1. A person, limited-liability company, partnership, association or corporation other than an appraisal management company which, in the normal course of its business, employs persons for the performance of real estate appraisal services; or

2. An appraisal management company that ~~[enters into not more than nine contracts annually with independent contractors in this State.]~~ ***is a subsidiary owned and controlled by an insured depository institution or an insured credit union and is regulated by a federal financial institutions regulatory agency. Such an appraisal management company is not required to register with the State but must pay an annual registry fee to the Division in an amount determined by the Appraisal Subcommittee in accordance with federal law.***

Sec. 22. NRS 645C.650 is hereby amended to read as follows:

645C.650 1. A person ~~[who]~~ ***or entity that*** wishes to be registered as an appraisal management company in this State must file a written application with the Division upon a form prepared and furnished by the Division and pay ~~[the fee]~~ ***all fees*** required pursuant to NRS 645C.680. An application must:

(a) State the name, residence address and business address of the applicant and the location of each principal office and branch office at which the appraisal management company will conduct business within this State;

(b) State the name under which the applicant will conduct business as an appraisal management company;

(c) List the name, residence address and business address of each person who will, if the applicant is not a natural person, have ~~[an]~~ ***at least a 10-percent ownership*** interest in the appraisal management company as a principal, partner, officer, director or trustee, specifying the capacity and title of each such person; ~~[and]~~

(d) Include a complete set of the fingerprints of the applicant or, if the applicant is not a natural person, a complete set of the fingerprints of each person who will have ~~[an]~~ ***at least a 10-percent ownership*** interest in the appraisal management company as a principal, partner, officer, director or trustee, and written permission authorizing the Division to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report ~~[.]~~ ***; and***

(e) Identify the number of certified or licensed appraisers in Nevada in the network or panel currently maintained by the

appraisal management company and, if applicable, the total number of certified or licensed appraisers nationwide in the network or panel currently maintained by the appraisal management company.

2. Except as otherwise provided in NRS 645C.600 to 645C.740, inclusive, ***and sections 6 to 11, inclusive, of this act,*** the Division shall issue a registration to an applicant as an appraisal management company if:

(a) The application is verified by the Division and complies with the requirements of NRS 645C.600 to 645C.740, inclusive ~~[.]~~ ***, and sections 6 to 11, inclusive, of this act;***

(b) The applicant ***, each owner*** and each general partner, officer or director of the applicant, if the applicant is a partnership, corporation or unincorporated association:

(1) Submits satisfactory proof to the Division that he or she has a good reputation for honesty, trustworthiness and integrity and displays competence to transact the business of an appraisal management company in a manner which safeguards the interests of the general public ***;*** ~~[.]~~

(2) Has not been convicted of, or entered a plea of nolo contendere to, a felony relating to the practice of appraisal or any crime involving fraud, misrepresentation or moral turpitude ***;*** ~~[.]~~

(3) Has not made a false statement of material fact on his or her application ***;*** ~~[.]~~

(4) Has ~~[not]~~ ***never*** had a license that was issued pursuant to the provisions of this chapter suspended, revoked or voluntarily surrendered in lieu of suspension or revocation ~~[; within the 10 years immediately preceding the date of application.]~~ ***which has not been subsequently reinstated;***

(5) Has ~~[not]~~ ***never*** had a professional license that was issued in ***this State or*** any other state, district or territory of the United States or any foreign country suspended or revoked ~~[within the 10 years immediately preceding the date of application.]~~ ***which has not been subsequently reinstated; and***

(6) Has not violated any provision of this chapter, a regulation adopted pursuant thereto or an order of the Commission or the Administrator ***;*** ~~[.]~~

(c) The applicant certifies that he or she:

(1) Has a process in place to verify that each independent contractor that provides services to the appraisal management company is the holder of a license in good standing to practice appraisal in this State ***;*** ~~[.]~~

(2) Has a process in place to review the work of each independent contractor that provides services to the appraisal management company to ensure that those services are conducted in accordance with the Uniform Standards of Professional Appraisal Practice ***;*** ~~[.]~~

(3) Will maintain a detailed record of each request for service it receives and the independent contractor who fulfilled that request ~~[.]~~ ***;***

(4) Has a system in place to ensure that all appraisals are conducted independently, as required by the appraisal independence requirements pursuant to 15 U.S.C. § 1639e and any rules or regulations issued thereunder; and

(5) Has a system in place to ensure that the appraisal management company is selecting a certified or licensed appraiser who has the requisite education, expertise and experience necessary to competently complete the appraisal assignment for the particular market and property type; and

(d) The applicant discloses whether or not the company uses an appraiser fee schedule. For the purposes of this paragraph, "appraiser fee schedule" means a list of the various real estate appraisal services requested by the appraisal management company from independent contractors and the amount the company will pay for the performance of each service listed.

3. The Division shall deny an application for registration of an appraisal management company, if in the course of its investigation, the Division determines that the application fails to comply with or meet the standards specified in this chapter or any regulations adopted pursuant thereto. If an application for registration is denied, the Division shall notify the applicant within 15 days after its decision.

4. An applicant who is denied registration pursuant to subsection 3 may reapply to the Division within 30 days after receipt of the notice denying the application for registration. The reapplication must demonstrate through a written statement, containing any necessary supporting evidence, that an error was made in the original application and that the applicant does otherwise qualify for registration. Denial of a reapplication for registration is not appealable.

5. If an applicant fails to reapply within 30 days after receipt of the notice denying the application for registration, the applicant may not reapply for registration for 1 year.

6. Failure to reapply within 30 days after receipt of the notice denying the application for registration is not appealable.

Sec. 23. NRS 645C.660 is hereby amended to read as follows:

645C.660 1. An applicant for registration under NRS 645C.600 to 645C.740, inclusive, ***and sections 6 to 11, inclusive, of this act*** shall file with the Division, in a form prescribed by regulation, an irrevocable consent appointing the Administrator his or her agent for service of process in a noncriminal proceeding against the applicant, a successor or personal representative which arises under NRS 645C.600 to 645C.740, inclusive, ***and sections 6 to 11, inclusive, of this act*** or a regulation or order of the Commission after the consent is filed, with the same force and validity as if served personally on the person filing the consent.

2. A person who has filed a consent complying with subsection 1 in connection with a previous application for registration need not file an additional consent.

3. If a person, including a nonresident of this State, engages in conduct prohibited or made actionable by NRS 645C.600 to 645C.740, inclusive, ***and sections 6 to 11, inclusive, of this act*** or a regulation or order of the Commission and the person has not filed a consent to service of process under subsection 1, engaging in the conduct constitutes the appointment of the Administrator as the person's agent for service of process in a noncriminal proceeding against the person, a successor or personal representative which grows out of the conduct.

4. Service under subsection 1 or 3 may be made by leaving a copy of the process in the Office of the Administrator, but it is not effective unless:

(a) The plaintiff, who may be the Administrator, sends notice of the service and a copy of the process by registered or certified mail, return receipt requested, to the defendant or respondent at the address set forth in the consent to service of process or, if no consent to service of process has been filed, at the last known address, or takes other steps which are reasonably calculated to give actual notice; and

(b) The plaintiff files an affidavit of compliance with this subsection in the proceeding on or before the return day of the process, if any, or within such further time as the court, or the Administrator in a proceeding before the Administrator, allows.

5. Service as provided in subsection 4 may be used in a proceeding before the Administrator or by the Administrator in a proceeding in which the Administrator is the moving party.

6. If the process is served under subsection 4, the court, or the Administrator in a proceeding before the Administrator, may order

continuances as may be necessary to afford the defendant or respondent reasonable opportunity to defend.

Sec. 24. NRS 645C.665 is hereby amended to read as follows:

645C.665 ***1.*** A registration issued pursuant to NRS 645C.600 to 645C.740, inclusive, ***and sections 6 to 11, inclusive, of this act*** expires each year on the date of its issuance, unless it is renewed. To renew such a registration, the registrant must submit to the Division on or before the expiration date:

~~[1.]~~ ***(a)*** An application for renewal ~~[;~~

~~2.]~~ ***, which may include an update of all the information required by NRS 645C.650, 645C.655 and 645C.660;***

(b) The fee required to renew the registration pursuant to NRS 645C.680; and

~~[3.]~~ ***(c)*** All information required to complete the renewal.

2. The Division shall deny an application for renewal of a registration as an appraisal management company if in the course of its investigation the Division determines that the application fails to comply with or meet the standards specified in this chapter or any regulations adopted pursuant thereto.

Sec. 25. NRS 645C.675 is hereby amended to read as follows:

645C.675 1. If an appraisal management company terminates its association with an independent contractor for any reason, the appraisal management company shall, not later than the third business day following the date of termination, deliver to the independent contractor or send by certified mail to the last known residence address of the independent contractor a written statement which advises the independent contractor of the termination.

2. An independent contractor who is aggrieved by a termination may lodge a complaint with the Commission. The Commission may consider whether the appraisal management company violated the provisions of NRS 645C.600 to 645C.740, inclusive, ***and sections 6 to 11, inclusive, of this act*** and may revoke, suspend or deny renewal of a registration in the manner set forth in NRS 645C.500 to 645C.550, inclusive ~~[.]~~ ***, and section 5 of this act.***

Sec. 26. NRS 645C.680 is hereby amended to read as follows:

645C.680 ~~[A person must pay the following fee to be issued or to renew a registration as an appraisal management company pursuant to NRS 645C.600 to 645C.740, inclusive:]~~

1. ~~[To be issued a registration, the applicant must pay a fee set by the]~~ ***The*** Division ***, with advice from the Commission, shall establish*** by regulation ~~[of not more than $2,500 for the principal office and not more than $100 for each branch office. The person~~

~~must also pay such additional expenses incurred in the process of investigation as the Division deems necessary.]~~ ***fees for appraisal management companies, including, without limitation, fees for:***

(a) Application for registration;

(b) Registration;

(c) Renewal of registration;

(d) Late renewal of registration;

(e) Investigation of applicants; and

(f) Inactive status.

2. ~~[To renew a registration, the applicant must pay a fee set by the]~~ ***Except as otherwise provided in this subsection, the*** Division ~~[by regulation of not more than $500 for the principal office and not more than $100 for each branch office.]~~ ***shall collect and remit the annual registry fee to the Federal Financial Institutions Examination Council or to the Appraisal Subcommittee, as appropriate, pursuant to 12 U.S.C. § 3338 and the rules or regulations issued thereunder. The fee required by this subsection must be collected from an appraisal management company only if, during the applicable year, the appraisal management company oversees a network or panel of more than 15 certified or licensed appraisers in this State or 25 or more certified or licensed appraisers nationally.***

Sec. 27. NRS 645C.710 is hereby amended to read as follows:

645C.710 1. For each violation committed by an applicant for a registration issued pursuant to NRS 645C.600 to 645C.740, inclusive, ***and sections 6 to 11, inclusive, of this act,*** whether or not the applicant is issued a registration, the Commission may impose upon the applicant an administrative fine of not more than $10,000 if the applicant:

(a) Has knowingly made or caused to be made to the Commission any false representation of material fact;

(b) Has suppressed or withheld from the Commission any information which the applicant possesses and which, if submitted by the applicant, would have rendered the applicant ineligible to be registered pursuant to the provisions of NRS 645C.600 to 645C.740, inclusive ~~[;]~~ ***, or sections 6 to 11, inclusive, of this act;*** or

(c) Has violated any provision of NRS 645C.600 to 645C.740, inclusive, ***and sections 6 to 11, inclusive, of this act,*** a regulation adopted pursuant to NRS 645C.600 to 645C.740, inclusive, ***and sections 6 to 11, inclusive, of this act*** or an order of the Commission in completing and filing the application for a registration or during the course of the investigation of the application for a registration.

2. For each violation committed by an appraisal management company, the Commission may impose upon the appraisal management company an administrative fine of not more than $10,000, may suspend, revoke or place conditions on the registration or may do both, if the appraisal management company, whether or not acting as such:

(a) Is grossly negligent or incompetent in performing any act for which the appraisal management company is required to be registered pursuant to NRS 645C.600 to 645C.740, inclusive ~~[;]~~ ***, and sections 6 to 11, inclusive, of this act;***

(b) Does not conduct its business in accordance with the law or has violated any provision of this chapter, a regulation adopted pursuant thereto or an order of the Commission;

(c) Has made a material misrepresentation in connection with any transaction governed by this chapter;

(d) Has suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by the provisions of this chapter which the appraisal management company knew or, by the exercise of reasonable diligence, should have known;

(e) Has knowingly made or caused to be made to the Commission any false representation of material fact or has suppressed or withheld from the Commission any information which the appraisal management company possesses and which, if submitted by the appraisal management company, would have rendered the appraisal management company ineligible to be registered pursuant to the provisions of NRS 645C.600 to 645C.740, inclusive ~~[;]~~ ***, and sections 6 to 11, inclusive, of this act;***

(f) Has been convicted of, or entered a plea of nolo contendere to, a felony relating to the practice of appraisal or any crime involving fraud, misrepresentation or moral turpitude; or

(g) Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice.

3. The Commission shall revoke the registration of an appraisal management company if the appraiser license or certificate of one of its owners is refused, denied, cancelled, surrendered or revoked in any state.

Sec. 28. NRS 645C.720 is hereby amended to read as follows:

645C.720 Except as otherwise provided in NRS 645C.600, it is unlawful for any person, limited-liability company, partnership, association or corporation to engage in the business of, act in the capacity of, advertise or assume to act as an appraisal management company without first obtaining a registration from the Division pursuant to NRS 645C.600 to 645C.740, inclusive ~~[.]~~ ***, and sections 6 to 11, inclusive, of this act.***

Sec. 29. This act becomes effective:

1. Upon passage and approval for the purposes of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On July 1, 2019, for all other purposes.

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APPROVED REGULATION OF

THE COMMISSION OF APPRAISERS OF REAL ESTATE

LCB File No. R176-18

Filed June 8, 2020

EXPLANATION – Matter in ***italics*** is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §§1, 2, 4, 6, 9, 11-15, 19, 20, 25-28 and 43-48, NRS 645C.210; §3, NRS 645C.210, 645C.650, as amended by section 22 of Senate Bill No. 39, chapter 91, Statutes of Nevada 2019, at page 483, and NRS 645C.680, as amended by section 26 of Senate Bill No. 39, chapter 91, Statutes of Nevada 2019, at page 487; §5, NRS 645C.210, 645C.330 and 645C.440; §7, NRS 645C.210, 645C.290 and 645C.300; §8, NRS 645C.210, 645C.300 and 645C.450, as amended by section 18 of Senate Bill No. 39, chapter 91, Statutes of Nevada 2019, at page 482; §10, NRS 645C.210, 645C.320 and 645C.360; §§16, 18 and 21-24, NRS 645C.210 and 645C.330; §17, NRS 645C.210, 645C.330 and 645C.450; §§29-39, NRS 645C.210 and 645C.440; §40, NRS 645C.210 and 645C.650, as amended by section 22 of Senate Bill No. 39, chapter 91, Statutes of Nevada 2019, at page 483; §41, NRS 645C.210, 645C.650, as amended by section 22 of Senate Bill No. 39, chapter 91, Statutes of Nevada 2019, at page 483, and NRS 645C.665, as amended by section 24 of Senate Bill No. 39, chapter 91, Statutes of Nevada 2019, at page 486; §42, NRS 645C.210, 645C.450, as amended by section 18 of Senate Bill No. 39, chapter 91, Statutes of Nevada 2019, at page 482 and NRS 645C.680, as amended by section 26 of Senate Bill No. 39, chapter 91, Statutes of Nevada 2019, at page 487.

A REGULATION relating to real estate appraisers; 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.

Legislative Counsel's Digest:

Existing law requires the Commission of Appraisers of Real Estate to adopt regulations prescribing the standards for education and experience required for the issuance or reissuance of a certificate or license as an appraiser of real estate. (NRS 645C.210, 654C.330, 645C.440) The Commission is also required to adopt standards for professional conduct. (NRS 645C.210)

Section 2 of this regulation establishes requirements for the advertisements of an appraisal management company. **Section 45** of this regulation revises the requirements for advertisements of persons who hold a certificate or license as an appraiser of real estate.

Section 3 of this regulation sets forth certain conditions under which the Real Estate Division of the Department of Business and Industry may deny an application for registration as an appraisal management company. **Section 47** of this regulation makes a conforming change.

Section 6 of this regulation authorizes the Division to report to certain entities disciplinary action taken by the Commission or the denial of an application for a license or registration.

Section 7 of this regulation repeals a provision making an application form for a license or certificate as an appraiser valid for only 1 year.

Existing law authorizes the Division to change and collect certain fees. (NRS 645C.450, as amended by section 18 of Senate Bill No. 39, Chapter 91, Statutes of Nevada 2019, at page 482) **Section 8** of this regulation sets forth the specific fees the Division will collect.

Existing regulations provide that the Division will only accept the result of an examination taken during the year immediately preceding the date of the application for a license or certificate as an appraiser. (NAC 645C.095) **Section 9** of this regulation provides that the Division will only accept the results of such an examination for 12 months after the date on which the examination results were issued.

Existing regulations provide the circumstances under which the Commission will consider the requirements for the certificate, license, registration or permit issued in another jurisdiction to be substantially equivalent to the requirements of this State. (NAC 645C.103) **Section 10** of this regulation delegates to the Real Estate Administrator the responsibility of determining whether such requirements are substantially equivalent to the requirements of this State.

Section 11 of this regulation removes the authorization for a registered intern to conduct an inspection of property for appraisal under certain circumstances.

Existing regulations require a registered intern to maintain a log for each appraiser who supervises the intern. (NAC 645C.120) **Section 12** of this regulation requires the intern to record certain additional information regarding each appraisal for which the intern is supervised.

Under existing regulations, certain courses designed to provide the education required to obtain a license or certificate as an appraiser, and certain schools and instructors providing such courses, must be approved by the Commission. (NAC 645C.205, 645C.223, 645C.230, 645C.248) **Sections 14, 17, 19 and 24** of this regulation require such courses, schools and instructors to be approved by the Division rather than the Commission. **Sections 5, 13, 15, 16, 18, 23 and 25-27** of this regulation make conforming changes. **Section 20** of this regulation provides a timeline for the Commission to hold a hearing at the request of an instructor whose approval is revoked by the Division.

Section 21 of this regulation removes certain educational requirements for an applicant for a license as a residential appraiser. **Section 21** also removes the requirement that an applicant for a license as a residential appraiser complete a course of instruction that meets certain requirements if the applicant holds a license as a residential appraiser issued by another state or territory of the United States or the District of Columbia, has held that license for at least 5 years and is in good standing with the authority that issued the license.

Existing regulations require an applicant for a certificate as a residential appraiser to hold a bachelor's degree or higher from an accredited college or university. (NAC 645C.237) **Section 22** of this regulation authorizes an applicant to instead meet certain alternative educational criteria. Under **section 22**, an applicant for a certificate as a residential appraiser is not required to satisfy these education requirements if the applicant holds a certificate as a residential appraiser issued by another state or territory of the United States or the District of Columbia, has held that certificate for at least 5 years and is in good standing with the authority that issued the license.

Existing regulations require a person who wishes to renew an active registration, license or certificate, or to reinstate a license or certificate that is on inactive status, to complete a minimum number of credit hours of continuing education courses approved by the Commission. (NAC 645C.300) **Section 28** of this regulation requires that such courses be approved by the Real Estate Administrator. **Sections 29-35 and 37-39** of this regulation make conforming changes. **Section 36** of this regulation limits the use of certain instructors in continuing education courses without approval from the Division.

Section 40 of this regulation revises the information which an applicant is required to include in an application for the initial registration of an appraisal management company. **Section 41** of this regulation revises the information which is required to be included in an application for a renewal of the registration of an appraisal management company. **Section 42** of this regulation requires the Division to collect the annual registry fee due to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council at the time an application for the initial issuance or renewal of a registration as an appraisal management company is submitted. **Section 8** of this regulation requires the Division to remit this fee to the Federal Financial Institutions Examinations Council of the Appraisal Subcommittee in accordance with federal law.

Section 43 of this regulation requires an appraisal management company's review process for appraisals conducted by independent contractors to ensure that such appraisals are conducted in accordance with the appraisal independence requirements set forth in federal law.

Existing regulations adopt by reference the 2006 edition of the *Uniform Standards of Professional Appraisal Practice*. (NAC 645C.400) **Section 44** of this regulation adopts by reference the most recent edition of the *Uniform Standards of Professional Appraisal Practice*.

Section 46 of this regulation requires an appraisal management company to retain certain records and revises the record retention requirements for an appraiser.

Section 48 of this regulation repeals certain definitions which are duplicative of existing statutes and a provision of regulations governing the number of contracts with independent contractors that have been entered into by an appraisal management company. **Section 4** of this regulation makes a conforming change.

Section 1. Chapter 645C of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

Sec. 2. ***1. In any advertisement through which an appraisal management company offers to perform services for which a registration is required by chapter 645C of NRS, the appraisal management company shall disclose:***

(a) The name under which the appraisal management company is registered; and

(b) The name and registration number under which the appraisal management company does business in this State.

2. An appraisal management company shall not publish or cause to be published an advertisement containing any false or misleading information.

Sec. 3. ***The Division may deny an application for registration as an appraisal management company submitted pursuant to NRS 645C.650, as amended by section 22 of Senate Bill 39, chapter 91, Statutes of Nevada 2019, at page 483, if one or more of the following conditions exist:***

1. The application is not in the proper form;

2. The proper fees are not enclosed;

3. The accompanying forms are incomplete or otherwise unsatisfactory;

4. The application contains a false statement;

5. The application is deficient in any other respect;

6. An investigation fails to show affirmatively that the applicant possesses the necessary qualifications;

7. The applicant has willfully acted or attempted to act in violation of any provision of chapter 116, 119, 119A, 645, 645A, 645C or 645D of NRS or the regulations adopted pursuant to those chapters, or has willfully aided and abetted another person to act or attempt to act in violation of any provision of those chapters or regulations;

8. The applicant has not met the requirements of NRS 645C.650, as amended by section 22 of Senate Bill 39, chapter 91, Statutes of Nevada 2019, at page 483; or

9. The check or other negotiable instrument used to pay a fee for registration is not honored by the financial institution upon which it was drawn.

Sec. 4. NAC 645C.005 is hereby amended to read as follows:

645C.005 As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC ~~[645C.0055]~~ ***645C.006*** to 645C.0095, inclusive, have the meanings ascribed to them in those sections.

Sec. 5. NAC 645C.026 is hereby amended to read as follows:

645C.026 On the website created and maintained pursuant to NRS 645C.390, the Division may provide information concerning courses which satisfy the educational requirements, if any, for the issuance of a license, certificate, permit or registration card and courses which satisfy the continuing education requirements set forth in NAC 645C.300 and 645C.302. The information may include, without limitation:

1. The name of each sponsor of a course;

2. Whether a course satisfies the educational requirements for the issuance of a license, permit, certificate or registration card or the continuing education requirements set forth in NAC 645C.300 and 645C.302;

3. Whether the ~~[Commission]~~ ***Administrator or Division, as applicable,*** has approved a course; and

4. If a course has been approved by the ~~[Commission:]~~ ***Administrator or Division:***

(a) The course number assigned by the Division;

(b) The title of the course and the name of the sponsor of the course;

(c) If the course is a course for continuing education, whether the ~~[Commission]~~ ***Administrator*** has approved the course;

(d) The number of hours of credit for which the ~~[Commission]~~ ***Administrator or Division, as applicable,*** has approved the course; and

(e) The manner in which the instruction of the course will be delivered.

Sec. 6. NAC 645C.045 is hereby amended to read as follows:

645C.045 The ~~[Commission]~~ ***Division*** may report any disciplinary action ~~[it takes]~~ ***taken by the Commission*** against a licensee or a person registered as an appraisal management company or any denial of an application for a license or a registration as an appraisal management company to:

1. Any national repository which records disciplinary action taken against licensees;

2. Any agency of another state which regulates appraisal management companies or the practice of the appraisal of real estate; or

3. Any agency or board of the State of Nevada.

Sec. 7. NAC 645C.050 is hereby amended to read as follows:

645C.050 ~~[1.]~~ The application for a license or certificate as an appraiser provided by the Division requires the following information:

~~[(a)]~~ ***1.*** The name of the applicant;

~~[(b)]~~ ***2.*** The social security number of the applicant;

~~[(c)]~~ ***3.*** One recent photograph of the applicant;

~~[(d)]~~ ***4.*** The information required of the applicant pursuant to NRS 645C.290; and

~~[(e)]~~ ***5.*** Such other pertinent information as the Division may require.

➥ The application must be accompanied by a completed fingerprint card ~~[.~~

~~2. An application form is valid for only 1 year after the date of filing. The Division may require that a supplemental form be completed by an applicant to ensure that all required information is current.]~~ ***as required by NRS 645C.300.***

Sec. 8. NAC 645C.057 is hereby amended to read as follows:

645C.057 1. ~~[At the time an applicant submits an application for a certificate, license or registration card, the Division shall collect:~~

~~(a) An application fee; and~~

~~(b) A fee for the issuance of the certificate, license or registration card specified in the application.]~~ ***The Division shall charge and collect the following fees:***

Application for a certificate, license or registration card $100

Issuance or renewal of a certificate or license as a residential appraiser 320

Issuance or renewal of a certificate as a general appraiser 420

Issuance of a permit 115

Issuance or renewal of a registration card..190

Issuance of a duplicate certificate or license for an additional office 50

Change in the name or location of a business 20

Reinstatement of an inactive certificate or license..30

Annual approval of a course of instruction offered in preparation for an initial certificate or license 100

Original approval of a course of instruction offered for continuing education...100

Renewal of approval of a course of instruction offered for continuing education...50

2. The ***Division shall collect and remit the annual registry fee to the Federal Financial Institutions Examination Council or to the Appraisal Subcommittee, as appropriate, pursuant to 12 U.S.C. § 3338 and the rules or regulations issued thereunder.***

3. Any application fee is nonrefundable. If the Division rejects an application, it shall refund ~~[the]~~ ***any*** fee submitted for the issuance of the certificate, license or registration card.

Sec. 9. NAC 645C.095 is hereby amended to read as follows:

645C.095 1. An applicant for a license or certificate as an appraiser who fails an examination may apply for reexamination.

2. The Division ~~[will]~~ ***shall*** only accept results of an examination ~~[taken during the year immediately preceding the date of the application for a license or certificate.]~~ ***for 12 months after the date on which the results of the examination were issued.***

Sec. 10. NAC 645C.103 is hereby amended to read as follows:

645C.103 1. For the purpose of subsection 1 of NRS 645C.360, the ~~[Commission]~~ ***Administrator*** will consider the requirements for the certificate, license, registration or permit issued in another jurisdiction to be substantially equivalent to the requirements of this State if:

(a) The requirements of the other jurisdiction meet or exceed the requirements adopted by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council; and

(b) The Appraisal Subcommittee of the Federal Financial Institutions Examination Council has not disapproved the regulatory program to which the requirements of the other jurisdiction apply.

2. An applicant for a permit who requests waiver of the examination pursuant to NRS 645C.360 must comply with NRS 645C.330 and:

(a) NAC 645C.235, if the applicant is applying for a permit as a licensed residential appraiser;

(b) NAC 645C.237, if the applicant is applying for a permit as a certified residential appraiser; or

(c) NAC 645C.240, if the applicant is applying for a permit as a certified general appraiser.

3. Before the Administrator may issue a permit, the applicant must affirm, on a form provided by the Division, that he or she has read and understands the provisions of this chapter and chapter 645C of NRS.

Sec. 11. NAC 645C.108 is hereby amended to read as follows:

645C.108 1. A supervisory appraiser must:

(a) Have been certified as a residential appraiser or general appraiser for at least 3 years before he or she supervises a registered intern;

(b) Complete the course of instruction described in NAC 645C.2445 before he or she supervises a registered intern;

(c) Be in good standing with the Division;

(d) Not have been subject to any disciplinary action within the immediately preceding 3 years that affects the ability of the supervisory appraiser to engage in the practice of appraisal; and

(e) Not supervise more than two registered interns at a time.

2. A supervisory appraiser shall personally inspect with a registered intern the first 50 properties assigned to the registered intern for appraisal.

~~[3. Except as otherwise provided in this subsection, a registered intern who has completed at least 50 appraisals of property to the satisfaction of his or her supervisory appraiser may perform an inspection of property for appraisal which is located within 50 miles of the principal office of his or her supervisory appraiser without the personal supervision of the supervisory appraiser at the site of the property. A supervisory appraiser may submit an application to the Administrator for permission to allow a registered intern to perform inspections of properties for appraisal which are located more than 50 miles from the principal office of his or her supervisory appraiser.]~~

Sec. 12. NAC 645C.120 is hereby amended to read as follows:

645C.120 1. The Division will require a verified statement from a supervisory appraiser indicating the extent of experience of any intern associated with him or her in order to determine the extent of experience the registered intern has gained while associated with the supervisory appraiser.

2. The information required by subsection 1 must be reported on a form provided by the Division. The completed form must include:

(a) The period of association with the supervisory appraiser.

(b) The average number of hours worked per week for the supervisory appraiser.

(c) Any other information concerning the activities of the intern which should be considered as contributing towards the experience of the intern while associated with the supervisory appraiser.

3. Each registered intern shall maintain a separate log for each appraiser who supervises the intern.

4. The registered intern shall record in the log for each appraisal:

(a) The type of property appraised;

(b) ***The date of the appraisal report;***

(c) The name and address of the client for whom the appraisal was conducted;

~~[(c)]~~ ***(d)*** The address of the appraised property; and

~~[(d)]~~ ***(e)*** A description of work performed ***, the type of appraisal performed, the supervision provided by the supervising appraiser*** and the number of hours required to conduct the appraisal.

5. Each page of a log maintained pursuant to this section must include the signature and number of the certificate of the supervisory appraiser.

6. A registered intern who assists in the preparation of an appraisal may obtain a copy of that appraisal.

Sec. 13. NAC 645C.200 is hereby amended to read as follows:

645C.200 For the purposes of NAC 645C.200 to 645C.260, inclusive, "school" includes:

1. The University of Nevada, or any other university or college with the same or an equivalent accreditation.

2. Any professional school or college licensed by the Commission on Postsecondary Education.

3. Any professional school or college located in this State or in another state which has standards for licensure or certification approved by a real estate appraiser's commission, a department of education or an equivalent agency of another state.

4. A nationally recognized appraiser's organization which is a member of The Appraisal Foundation or an organization approved by the ~~[Commission.]~~ ***Division.***

Sec. 14. NAC 645C.205 is hereby amended to read as follows:

645C.205 Before a school offers or conducts a course of instruction designed to fulfill the educational requirements for licensure or certification under chapter 645C of NRS, the school must be approved by the ~~[Commission]~~ ***Division*** unless the school is ~~[an accredited college or university.]~~ ***a university, professional school or college described in subsection 1, 2 or 3 of NAC 645C.200.*** The application for approval must be made on a form prescribed by the Division. The application must include, and the ~~[Commission]~~ ***Division*** may consider, the following information in determining the school's eligibility for approval:

1. The name and address of the school;

2. The type of school and a description of its facilities;

3. The names of the owners of the school, including, if applicable, the name of the business organization which owns the school and the names and addresses of all directors, principals, officers and other persons having interests as owners;

4. A list of the instructors and evidence of their qualifications;

5. A list of the courses to be offered and a topical syllabus for each course;

6. The allotment of time for each subject taught;

7. A proposed schedule of courses for 1 year;

8. The titles, authors and publishers of all required textbooks;

9. A copy of an examination and the correct answer for each question; and

10. A statement of:

(a) The purpose of the school;

(b) The fees to be charged;

(c) The days, times and locations of classes;

(d) The number of quizzes and examinations;

(e) The grading systems, including the methods of testing and standards of grading;

(f) The requirements for attendance; and

(g) The location of the students' records.

Sec. 15. NAC 645C.210 is hereby amended to read as follows:

645C.210 If a school has applied for and received the ~~[Commission's]~~ ***Division's*** approval to offer courses to meet requirements for licensure or certification under chapter 645C of NRS, the school shall, as a condition of the approval:

1. Maintain a record of each student's attendance and certification in any of those courses. The records must be maintained for 10 years after the student's enrollment and must be open for inspection by the Division, upon its request, during the school's business hours.

2. Upon a transferring student's request, furnish the school to which the student is transferring a copy of his or her attendance record and certification for each of those courses which he or she has completed.

3. Upon a student's request, furnish the Division a transcript of the record of the student's grades and attendance.

Sec. 16. NAC 645C.215 is hereby amended to read as follows:

645C.215 1. A school which the ~~[Commission]~~ ***Division*** has approved to give a course fulfilling the educational requirements for original licensing or certification shall require each student to attend the required number of hours of instruction and pass an examination in the course.

2. The school may certify only the number of hours for which the course has been approved by the ~~[Commission.]~~ ***Division.***

3. The completion of a portion of a course is not acceptable to satisfy licensing or certification requirements.

4. As used in this section, an "hour of instruction" means 50 minutes or more. Fifteen hours of instruction equal one semester credit.

Sec. 17. NAC 645C.223 is hereby amended to read as follows:

645C.223 1. A school that is approved by the ~~[Commission]~~ ***Division*** pursuant to NAC 645C.205 must obtain the ~~[Commission's]~~ ***Division's*** approval of each course offered or conducted by the school that is designed to fulfill the educational requirements for licensure or certification under chapter 645C of NRS. An application for approval of a course must be submitted to the Division on a form prescribed by the Division ~~[.]~~ ***and must be accompanied by the applicable fee prescribed by NAC 645C.057.***

2. The ~~[Commission's]~~ ***Division's*** approval of a course is effective for 1 year. The school must apply annually to renew the approval of the course. The application must be submitted to the Division on a form prescribed by the Division and describe the changes, if any, in the course since its last approval. The application must be received by the Division not less than 30 days before the expiration of the previous approval ~~[.]~~ ***and must be accompanied by the fee prescribed by NAC 645C.057.***

3. The Division may renew the approval of a course if no changes in the course have occurred since the course was approved by the ~~[Commission.]~~ ***Division.***

4. The ~~[Commission's]~~ ***Division's*** approval of a course is subject to the condition that the Division may audit and evaluate the presentation of the course.

5. Each of the following acts and conditions is a ground for the ~~[Commission]~~ ***Division*** to withdraw its approval of a course:

(a) Poor quality of the curriculum or instruction, as demonstrated by an evaluation or audit.

(b) Violation of any of the provisions of this chapter.

Sec. 18. NAC 645C.225 is hereby amended to read as follows:

645C.225 A school approved by the ~~[Commission]~~ ***Division*** shall not make any misrepresentation in its advertising about any course of instruction which it offers to fulfill requirements for licensing or certification under this chapter. Any advertisement must specify that such courses have been approved by the ~~[Commission of Appraisers of Real Estate.]~~ ***Real Estate Division of the Department of Business and Industry.***

Sec. 19. NAC 645C.230 is hereby amended to read as follows:

645C.230 1. A school which conducts courses approved by the ~~[Commission]~~ ***Division*** shall employ as instructors of those courses only persons who possess:

(a) A good reputation for honesty, integrity and trustworthiness; and

(b) At least one of the following qualifications, unless granted a special exemption by the ~~[Commission:]~~ ***Division:***

(1) Current experience teaching subjects relating to the appraisal of real estate in the Nevada System of Higher Education or another institution which awards degrees. The person

must demonstrate to the satisfaction of the Division the academic training or work experience that qualifies him or her to teach the course.

(2) Five years of full-time experience, other than in a secretarial position, working in a job directly related to the subject taught.

(3) Have a bachelor's degree in the field in which the person is instructing.

(4) Three years of experience teaching the specific subject.

2. Such a school shall limit guest lecturers who are not approved by the ~~[Commission]~~ ***Division*** to a total of 10 percent of the instructional hours per approved course. A guest lecturer must be an expert in the subject that he or she teaches.

3. Such a school shall not employ, without the approval of the ~~[Commission,]~~ ***Division,*** an instructor who has been subject to discipline by any licensing board or commission within the 5 years immediately preceding the employment, or who has been subject to discipline by the Commission more than twice.

Sec. 20. NAC 645C.232 is hereby amended to read as follows:

645C.232 1. The Division may revoke its approval of a particular instructor who is employed by a school which conducts courses approved by the ~~[Commission]~~ ***Division*** if:

(a) Any licensing authority has taken disciplinary action against the instructor; or

(b) After an audit of the course and review of the evaluations of the course, the Division concludes that the instructor is not qualified to instruct the course.

2. The Division shall give the instructor and school written notice that it has revoked the approval of the instructor. The written notice must specify the reason for the revocation.

3. The instructor may appeal the decision of the Division to revoke the approval of the instructor by making a written demand to the Commission for a hearing within 20 calendar days after the instructor receives the written notice pursuant to subsection 2.

4. ~~[Within 90 days after receipt of a written demand for such a hearing, the Commission will hold a hearing.]~~ ***The Commission will hold the hearing at its next regularly scheduled meeting after the request for a hearing is filed unless the school makes a written request for a continuance and that request is granted. The Commission will decide the matter within 90 calendar days after the hearing.***

Sec. 21. NAC 645C.235 is hereby amended to read as follows:

645C.235 1. ~~[A]~~ ***Except as otherwise provided in this section, a*** course of instruction for an applicant for a license as a residential appraiser must:

(a) Consist of at least the following:

(1) Thirty hours of instruction on basic appraisal principles;

(2) Thirty hours of instruction on basic appraisal procedures;

(3) Fifteen hours of instruction in the *National USPAP Course*;

(4) Fifteen hours of instruction on residential market analysis and analysis of the highest and best use of real estate;

(5) Fifteen hours of instruction on valuation of a site and cost approach for a residential appraiser;

(6) Thirty hours of instruction on residential sales comparison and income approaches;

(7) Fifteen hours of instruction on residential report writing and case studies; and

(8) Three hours of instruction on the laws of this State governing appraisals.

(b) Except as otherwise provided in subsection 2, be completed within the 5 years immediately preceding the submission of an application for a license.

2. The Division may allow credit for a course of instruction set forth in subsection 1 that is completed more than 5 years before the submission of an application for a license as a residential appraiser if the course is successfully completed at an accredited college or university.

3. An applicant for a license as a residential appraiser ~~[must:~~

~~(a) Hold an associate degree or higher from an accredited college or university; or~~

~~(b) Have earned at least a total of 30 semester credit hours or its equivalent from an accredited college or university.]~~ ***is not required to complete a course of instruction that meets the requirements set forth in this section if he or she holds a current license as a residential appraiser issued by another state or territory of the United States or the District of Columbia, has held that license for at least 5 years and is in good standing with the authority which issued the license.***

Sec. 22. NAC 645C.237 is hereby amended to read as follows:

645C.237 1. A course of instruction for an applicant for a certificate as a residential appraiser must:

(a) Consist of at least the following:

(1) Thirty hours of instruction on basic appraisal principles;

(2) Thirty hours of instruction on basic appraisal procedures;

(3) Fifteen hours of instruction in the *National USPAP Course*;

(4) Fifteen hours of instruction on residential market analysis and analysis of the highest and best use of real estate;

(5) Fifteen hours of instruction on residential appraiser valuation of a site and cost approach;

(6) Thirty hours of instruction on residential sales comparison and income approaches;

(7) Fifteen hours of instruction on residential report writing and case studies;

(8) Fifteen hours of instruction on statistics, modeling and finance;

(9) Fifteen hours of instruction on advanced residential applications and case studies;

(10) Three hours of instruction on the laws of this State governing appraisals; and

(11) Twenty hours of instruction in elective courses relating to appraisals.

(b) Except as otherwise provided in subsection 2, be completed within the 5 years immediately preceding the submission of an application for a certificate.

2. The Division may allow credit for a course of instruction set forth in subsection 1 that is completed more than 5 years before the submission of an application for a certificate as a residential appraiser if the course is successfully completed at an accredited college or university.

3. An applicant for a certificate as a residential appraiser must ~~[hold a bachelor's degree or higher from an accredited college or university.]~~ ***meet at least one of the following criteria:***

(a) Holds a bachelor's degree in any field of study.

(b) Holds an associate's degree in a field of study related to the following:

(1) Business administration;

(2) Accounting;

(3) Finance;

(4) Economics; or

(5) Real estate.

(c) Has successfully completed 30 semester hours of college-level courses which must include not less than:

(1) Three semester hours of English composition;

(2) Three semester hours of microeconomics;

(3) Three semester hours of macroeconomics;

(4) Three semester hours of finance;

(5) Three semester hours of algebra, geometry or higher mathematics;

(6) Three semester hours of statistics;

(7) Three semester hours of computer science;

(8) Three semester hours of business or real estate law; and

(9) Two elective courses each consisting of three semester hours in any of the areas listed in this paragraph or in accounting, geography, agricultural economics, business management or real estate.

(d) Has successfully completed at least 30 semester hours of College-Level Examination Program (CLEP) examinations in each of the following areas:

(1) Three semester hours of college algebra;

(2) Six semester hours of college composition;

(3) Three semester hours of college composition modular;

(4) Six semester hours of college mathematics;

(5) Three semester hours of macroeconomics;

(6) Three semester hours of microeconomics;

(7) Three semester hours of introductory business law; and

(8) Three semester hours of information systems.

(e) Successfully completed any combination of paragraphs (c) and (d) that ensure coverage of all areas and semester hours pursuant to paragraph (c).

4. An applicant is not required to meet the educational requirements set forth in subsection 3 if he or she holds a current certificate as a residential appraiser issued by another state or territory of the United States or the District of Columbia, has held that certificate for at least 5 years and is in good standing with the authority which issued the certificate.

Sec. 23. NAC 645C.245 is hereby amended to read as follows:

645C.245 1. The ~~[Commission]~~ ***Division*** may accept a course of instruction designed to fulfill the educational requirements for licensure or certification without the prior approval of the course.

2. To be approved by the ~~[Commission,]~~ ***Division,*** except as otherwise provided in subsection 3, a course of instruction must consist of at least 15 hours of instruction. The time to take an examination in such a course may be applied toward the 15-hour requirement.

3. The ~~[Commission]~~ ***Division*** may approve a course of instruction of less than 15 hours if the course consists of at least 3 hours of instruction concerning the laws of this State governing appraisals. A course consisting of less than 15 hours of instruction may not be applied toward satisfying the minimum hours of academic instruction required by NRS 645C.330.

Sec. 24. NAC 645C.248 is hereby amended to read as follows:

645C.248 1. An application for approval of a distance education course which complies with the provisions of NRS 645C.330 must be submitted to the Division for review ***.*** ~~[and presentation to the Commission.]~~ The application must be made on a form provided by the Division.

2. In determining whether to approve a course pursuant to this section, the ~~[Commission]~~ ***Division*** will consider:

(a) Whether the course consists of at least 15 hours of instruction;

(b) Whether the sponsor of the course is willing to ensure that each student enrolled in the course will be required to complete a written examination proctored by a person approved by the Division; and

(c) At least one of the following:

(1) Whether the course is offered by an accredited college or university that offers distance education courses in disciplines other than the appraisal of real property; or

(2) Whether the course is approved by the International Distance Education Certification Center and the Appraiser Qualifications Board of The Appraisal Foundation.

Sec. 25. NAC 645C.250 is hereby amended to read as follows:

645C.250 1. The ~~[Commission]~~ ***Division*** will not accept an applicant's completion of a course of a kind which is designed to prepare students for examination, commonly known as a "cram course," to fulfill the educational requirements for an original license or certificate.

2. The following kinds of courses will not be accepted to fulfill units of education which are required for original licensing or certification:

(a) Courses designed to develop or improve clerical, office or business skills that are not related to the appraisal process, including typing, shorthand, the operation of business machines, the use of computers or computer software, improvement of memory or writing letters; or

(b) Business courses in advertising or psychology.

Sec. 26. NAC 645C.255 is hereby amended to read as follows:

645C.255 1. An owner, instructor or affiliate of a school approved by the ~~[Commission]~~ ***Division*** or other person associated with the school shall not take an examination for a license or certificate as an appraiser conducted by the Division or its agent unless he or she first submits to the Division:

(a) A written statement that his or her purpose in taking the examination is to fulfill one of the requirements for obtaining a license or certificate; and

(b) A written agreement to apply for a license or certificate upon passing the examination.

2. Such a school or anyone associated with its operation shall not:

(a) Solicit information from any person to discover past questions asked on any such examination; or

(b) Distribute to any person a copy of the questions or otherwise communicate to him or her the questions without the prior written approval of the owner of the copyright to the questions.

Sec. 27. NAC 645C.260 is hereby amended to read as follows:

645C.260 1. Within 15 calendar days after the occurrence of any material change in the school which would affect its approval by the ~~[Commission,]~~ ***Division,*** the school shall give the Division written notice of that change.

2. The ~~[Commission's]~~ ***Division's*** approval of a school expires 1 year after the date on which it is given. To qualify for a renewal of approval by the ~~[Commission,]~~ ***Division,*** a school must, not later than 30 days before the expiration of the approval, submit to the Division:

(a) A written certification, in a form prescribed by the Division, declaring that the school has met all applicable requirements of this chapter; and

(b) A sworn statement, in a form prescribed by the Division, declaring that the information contained in the original application is current or, if it is not current, a list of all material changes.

3. ***If the school does not file an application for renewal prior to the expiration of approval, the school must apply for original approval pursuant to NAC 645C.205.***

4. The ~~[Commission]~~ ***Division*** may deny renewal of approval to any school that does not meet the standards required by this chapter.

~~[4.]~~ ***5.*** Within 60 calendar days after a decision is made to deny renewal of approval, the Division will send written notice of the decision and the basis for that decision by certified mail to the last known address of the school.

Sec. 28. NAC 645C.300 is hereby amended to read as follows:

645C.300 1. To renew an active registration, license or certificate, the intern, licensee or holder of the certificate must complete at least 30 hours of continuing education in courses approved by the ~~[Commission,]~~ ***Administrator,*** including, without limitation, at least 7 hours of instruction in the *National USPAP Update Course* within the 2 years immediately preceding the application for renewal.

2. To reinstate a license or certificate which has been placed on inactive status, a person must provide the Division with proof that he or she has met the following requirements for continuing education, including, without limitation:

(a) At least 7 hours of instruction in the *National USPAP Update Course* most recently approved by the ~~[Commission;]~~ ***Administrator;***

(b) For a license or certificate that has been placed on inactive status for not more than 2 years, at least 30 hours of instruction in continuing education courses approved by the ~~[Commission;]~~ ***Administrator;*** and

(c) For a license or certificate that has been placed on inactive status for more than 2 years, at least 15 hours of instruction in continuing education courses approved by the ~~[Commission]~~ ***Administrator*** for each year of inactive status.

Sec. 29. NAC 645C.302 is hereby amended to read as follows:

645C.302 1. A registered intern must complete, every 2 years, at least 30 hours of courses in continuing education that have been approved by the ~~[Commission]~~ ***Administrator*** as a condition of the renewal of his or her registration as an intern. Those courses must include, without limitation, at least 7 hours of instruction in a course on the *National USPAP Update Course*.

2. If a registration as an intern is not renewed, the person who held the registration must apply for a new registration as an intern before acting or assuming to act as an intern.

Sec. 30. NAC 645C.303 is hereby amended to read as follows:

645C.303 The Division may allow a registered intern, licensee or holder of a permit or certificate to use the website created and maintained pursuant to NRS 645C.390 to verify information concerning credits for continuing education earned by the registered intern, licensee or holder of a permit or certificate during the current renewal period and the renewal period immediately preceding the current renewal period. The information may include, without limitation:

1. The name of the registered intern, licensee or holder of a permit or certificate and the number of that person's license, permit, certificate or registration card;

2. The title of the course and the name of the sponsor of the course;

3. The course number assigned by the Division;

4. Whether the ~~[Commission]~~ ***Administrator*** has approved the course;

5. The number of hours of continuing education credit earned by the registered intern, licensee or holder of a permit or certificate for completing a course;

6. The date on which the registered intern, licensee or holder of a permit or certificate completed a course; and

7. The number of hours of continuing education which the ~~[Commission]~~ ***Administrator*** has approved for the course.

Sec. 31. NAC 645C.305 is hereby amended to read as follows:

645C.305 1. Courses for continuing education must contain:

(a) Current information on appraisal practices which will improve the professional knowledge of the licensee or holder of a certificate and enable him or her to provide better service to the public.

(b) Information that pertains to pertinent state and federal laws and regulations relating to appraisals or appraisal practices.

2. The ~~[Commission considers]~~ ***Administrator shall consider*** courses in the following areas to be acceptable for continuing education:

(a) The *USPAP*;

(b) Legislative issues which concern the practice of appraising or licensees or holders of certificates, including, without limitation, pending and recent legislation;

(c) The administration of laws and regulations governing appraisals, including, without limitation, licensing, certification and enforcement;

(d) The relationship of the appraisal report to real estate financing;

(e) The measurement and evaluation of the market for real estate, including, without limitation, evaluations of sites, market data and studies of feasibility;

(f) The development of real property;

(g) Real estate and appraisal mathematics;

(h) Nature of value;

(i) The purpose and use of appraisals;

(j) Methods of valuation and evaluation;

(k) Income capitalization;

(l) Construction;

(m) Green building; and

(n) Concessions to sellers.

3. If the sponsor agrees to comply with all other requirements of approval, the ~~[Commission will]~~ ***Administrator shall*** accept without specific approval any course in appraisal practices or directly related subjects if the course has been previously approved by the ~~[Commission.]~~ ***Administrator.***

Sec. 32. NAC 645C.315 is hereby amended to read as follows:

645C.315 1. An application for approval of a distance education course for continuing education or a course given in Nevada for the continuing education of licensees or holders of certificates must be submitted to the Division for review ~~[and presentation to the Commission.]~~ ***by the Administrator.*** The application must be made on a form provided by the Division.

2. The ~~[Commission]~~ ***Administrator*** will not give retroactive approval for such a course.

3. In determining whether to approve a course pursuant to this section, the ~~[Commission]~~ ***Administrator*** will consider:

(a) Whether the course consists of at least 2 hours of instruction.

(b) Whether the sponsor of the course is willing to certify to the attendance of licensees and holders of certificates at the course.

(c) Whether the sponsor is willing to maintain for 5 years a record of attendance which contains:

(1) The name of each licensee or holder of a certificate in attendance and the number of his or her license or certificate.

(2) The title and description of the course.

(3) The hours of instruction attended by the licensee or holder of a certificate and the dates of his or her attendance.

(4) A statement or indication whether the licensee or holder of a certificate passed or failed the course, if applicable.

(d) Whether the sponsor of the course is willing to ensure that an approved instructor will preside throughout the course.

(e) In the case of distance education courses:

(1) Whether the licensee or holder of a certificate will be required to complete:

(I) A written examination proctored by an official approved by the ~~[Commission;]~~ ***Administrator;*** or

(II) If the course does not include such an examination, the course mechanisms required by the ~~[Commission]~~ ***Administrator*** for accreditation of the course; and

(2) Whether the course is presented by an accredited college or university, has received the approval for college credit through the program of approval of the Appraiser Qualifications Board of The Appraisal Foundation or the International Distance Education Certification Center.

(f) In the case of presentations by videotape, whether the sponsor will provide an approved instructor at the site of the presentation to supplement and control instruction in the course.

(g) Any other criteria that the ~~[Commission]~~ ***Administrator*** deems appropriate.

4. For all approved courses, the sponsor shall provide a certified copy of the record of completing the course to the licensee or holder of a certificate upon completion of the course. The Division shall accept the certificate as proof of the licensee's or holder's attendance for the purpose of renewing or reinstating his or her license or certificate. If the course is taken at a university or community college, the proof of attendance must be a certified transcript. The certificate of a sponsor must contain the:

(a) Name of the sponsor;

(b) Name of the licensee or holder of a certificate and his or her license number or certificate number;

(c) Number of hours of credit for continuing education for which the course is approved;

(d) Dates of instruction;

(e) Title of the course or seminar;

(f) Sponsor's number assigned by the Division; and

(g) Signature of the person authorized to sign for the sponsor.

5. The ~~[Commission]~~ ***Administrator*** may grant approval for courses of continuing education offered by a nationally recognized appraisal organization which is a member of The Appraisal Foundation or an organization approved by the ~~[Commission]~~ ***Administrator*** without considering a specific application.

Sec. 33. NAC 645C.317 is hereby amended to read as follows:

645C.317 1. Except as otherwise provided in NAC 645C.315 regarding distance education courses, an appraiser may apply to the ~~[Commission]~~ ***Administrator*** for the approval of a course of continuing education which is provided out of State if the appraiser has:

(a) Attended or will attend the course outside Nevada;

(b) Taken or will take the course within the period prescribed by NRS 645C.430 for the renewal or reinstatement of his or her certificate or license; and

(c) Submitted an application on a form supplied by the Division accompanied by the applicable application fee for the annual approval of a course of instruction offered for continuing education.

2. Under appropriate circumstances, the ~~[Commission]~~ ***Administrator*** may give retroactive approval for a course attended out of State.

3. Except as otherwise provided in subsection 5, approval of a course pursuant to this section applies only to the specific:

(a) Course described in the application;

(b) Date on which the course was given; and

(c) Appraiser who submitted the application.

4. In determining whether to approve a course attended out of State, the ~~[Commission]~~ ***Administrator*** will consider:

(a) Whether the course consists of at least 2 hours of instruction.

(b) Whether the course meets the standards set forth in NAC 645C.305 and is acceptable under the provisions of NAC 645C.310.

(c) Any available information regarding the qualifications of the instructor of the course.

(d) The sufficiency of the proof of attendance of the course by the applicant. To obtain credit for attendance of the course, the applicant must attend the required number of hours of instruction and take and pass any examination administered in the course.

(e) Any other criteria that the ~~[Commission]~~ ***Administrator*** deems appropriate.

5. If the ~~[Commission]~~ ***Administrator*** approves a specific course based on an initial application by an appraiser pursuant to subsections 1 to 4, inclusive, the ~~[Commission]~~ ***Administrator*** shall approve an application submitted subsequently by another appraiser who attended the same course if that appraiser submits:

(a) Proof of his or her attendance of the course; and

(b) The applicable application fee for the annual approval of a course of instruction offered for continuing education.

6. If the ~~[Commission]~~ ***Administrator*** approves a course pursuant to this section, the sponsor of the course:

(a) Is not required to comply with NAC 645C.325.

(b) Shall not advertise that the course has been approved by the ~~[Commission.]~~ ***Administrator.***

Sec. 34. NAC 645C.320 is hereby amended to read as follows:

645C.320 1. The approval or reapproval of any course of continuing education by the ~~[Commission]~~ ***Administrator*** is subject to a condition that the Division may audit the course. The ~~[Commission's]~~ ***Administrator's*** approval of a course for continuing education is effective for 1 year after the original approval or a reapproval.

2. A sponsor must apply for reapproval on a form provided by the Division and describe on that form any changes in the course. An application for reapproval must be filed at least 2 weeks

before the previous approval expires and, if the sponsor does not do so, the sponsor must apply for an original approval.

3. The Division may reapprove a course if no changes in the course have occurred since the course was approved or reapproved.

4. Each of the following acts and conditions is a ground for the ~~[Commission]~~ ***Administrator*** to withdraw ~~[its]~~ ***his or her*** approval of a course:

(a) Poor quality of the curriculum or instruction, as shown by evaluations.

(b) Violation of any of the provisions of this chapter governing continuing education.

Sec. 35. NAC 645C.326 is hereby amended to read as follows:

645C.326 Not later than 10 days after the completion of a course of continuing education which has been approved by the ~~[Commission,]~~ ***Administrator,*** the sponsor of the course shall submit electronically to the Division, in a format approved by the Division, the information set forth in NAC 645C.303 for each registered intern, licensee or holder of a permit or certificate who completed the course to earn credit for continuing education.

Sec. 36. NAC 645C.330 is hereby amended to read as follows:

645C.330 1. An instructor of a course for continuing education must possess:

(a) A good reputation for honesty, integrity and trustworthiness; and

(b) At least one of the following qualifications, unless granted a special exemption by the ~~[Commission:]~~ ***Division:***

(1) A bachelor's degree in the field in which the person is instructing.

(2) Current experience teaching subjects relating to the appraisal of real estate in the Nevada System of Higher Education or another institution which awards degrees. The person

must demonstrate to the satisfaction of the Division the academic training or work experience that qualifies him or her to teach the course of continuing education.

(3) Five years of full-time experience, other than in a secretarial position, working in a job directly related to the subject taught.

(4) Three years of experience teaching the specific subject.

2. An instructor who has been subject to discipline by any licensing board or commission:

(a) Within the last 5 years; or

(b) More than twice,

➥ shall not instruct a course of continuing education without the approval of the ~~[Commission.]~~ ***Division.***

3. A sponsor of a course shall limit guest lecturers who are not approved by the ~~[Commission]~~ ***Division*** to a total of 10 percent of the instructional hours per approved course. A guest lecturer must be an expert in the subject that he or she teaches.

Sec. 37. NAC 645C.340 is hereby amended to read as follows:

645C.340 1. Any advertising, promotional brochure or form for registration for a course for continuing education must:

(a) Contain, in writing, the policy of the sponsor concerning cancellation and refunds; and

(b) Not contain any misrepresentation or misleading information.

2. All advertising must:

(a) Specify that the course for continuing education has been approved by the ~~[Commission;]~~ ***Administrator;***

(b) Include the number of hours of credit of continuing education for which the course is approved; and

(c) Include the number assigned to the sponsor of the course by the Division.

Sec. 38. NAC 645C.350 is hereby amended to read as follows:

645C.350 The ~~[Commission will]~~ ***Administrator shall not*** allow ~~[not]~~ more than 8 hours of credit per day of instruction for courses of continuing education.

Sec. 39. NAC 645C.355 is hereby amended to read as follows:

645C.355 The ~~[Commission will]~~ ***Administrator shall*** grant credit for continuing education, not to exceed 6 hours, to a licensee or holder of a certificate once during each period of licensing or certification if the following conditions are met:

1. The licensee or holder of a certificate attends a ***single*** meeting of the Commission and the licensee or holder was not participating in or otherwise affiliated with a disciplinary hearing conducted by the Commission;

2. The Commission's meeting lasted at least 2 hours; and

3. The ~~[Commission]~~ ***Division*** certifies to the attendance of the licensee or holder of a certificate.

Sec. 40. NAC 645C.377 is hereby amended to read as follows:

645C.377 1. An application for the initial registration of an appraisal management company provided by the Division must include ***the requirements pursuant to NRS 645C.650, as amended by section 22 of Senate Bill No. 39, chapter 91, Statutes of Nevada 2019, at page 483, and*** the following information:

(a) ~~[The name, residence address and business address of the applicant.~~

~~(b) The name under which the applicant will conduct business as an appraisal management company.~~

~~(c) The address of the principal office of the applicant.~~

~~(d) The address of each branch office of the applicant.~~

~~(e)]~~ If the applicant is a natural person, the social security number of the applicant.

~~[(f)]~~ ***(b)*** If the applicant is not a natural person:

(1) The name, residence address, business address and social security number of each person who will have ~~[an]~~ ***at least a 10 percent ownership*** interest in the applicant as a principal, general partner, director, officer or trustee; and

(2) The name of the qualified employee designated by the applicant.

~~[(g)]~~ ***(c) The number of certified or licensed appraisers in Nevada in the network or panel currently maintained by the appraisal management company and, if applicable, the total number of certified or licensed appraisers nationwide in the network or panel currently maintained by the appraisal management company.***

(d) Such other pertinent information as the Division may require.

2. The application must be accompanied by:

(a) A complete set of the fingerprints of the applicant or, if the applicant is not a natural person, a complete set of the fingerprints of each person who will have ~~[an]~~ ***at least a 10 percent ownership*** interest in the applicant as a principal, partner, officer, director or trustee, and written permission authorizing the Division to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report; or

(b) Written verification, on a form prescribed by the Division, stating that the fingerprints of the applicant were taken and directly forwarded electronically or by another means to the Central Repository and that the applicant has given written permission to the law enforcement agency or other authorized entity taking the fingerprints to submit the fingerprints to the Central Repository for submission to the Federal Bureau of Investigation for a report on the applicant's background.

3. In addition to the information required by subsection 2, the application must be accompanied by the following:

(a) A recent photograph of the applicant or, if the applicant is not a natural person, a recent photograph of each person who will have ~~[an]~~ ***at least a 10 percent ownership*** interest in the applicant as a principal, partner, director, officer or trustee.

(b) The certifications required by NRS 645C.650 ~~[.]~~ ***, as amended by section 22 of Senate Bill No. 39, chapter 91, Statutes of Nevada 2019, at page 483.***

(c) The statement required by NRS 645C.655.

(d) If the applicant uses an appraiser fee schedule, a copy of the appraiser fee schedule.

4. As used in this section, "qualified employee" means a natural person who is a principal, general partner, director, officer, manager or registered agent of an appraisal management company and who is designated by the appraisal management company to act on its behalf.

Sec. 41. NAC 645C.379 is hereby amended to read as follows:

645C.379 1. To renew a registration as an appraisal management company, a registrant must submit to the Division:

(a) An application for renewal furnished by the Division;

(b) The information required by NRS 645C.665 ~~[;]~~ ***, as amended by section 24 of Senate Bill No. 39, chapter 91, Statutes of Nevada 2019, at page 486;***

(c) The information required by NRS 645C.655; and

(d) The renewal fee required by NAC 645C.381.

2. An application for renewal and the renewal fee must be received by the Division on or before the expiration date of the registration. If the application for renewal and renewal fee are not received by the Division on or before the expiration date of the registration, the registration expires and the person who held the registration must comply with the provisions of NAC 645C.377 in order to obtain a registration.

3. An application for renewal must include updated information, in compliance with NAC 645C.377 for any changes in ownership, including, without limitation, any new person with at least a 10 percent ownership interest.

4. An application for renewal must identify the number of certified or licensed appraisers in Nevada in the network or panel currently maintained by the appraisal management company and, if applicable, the total number of certified or licensed appraisers nationwide in the network or panel currently maintained by the appraisal management company.

Sec. 42. NAC 645C.381 is hereby amended to read as follows:

645C.381 1. At the time an applicant submits an application for the issuance or renewal of a registration as an appraisal management company, the Division shall collect:

(a) For the issuance of an initial registration, a fee of $2,500 and an additional fee of $100 for each branch office of the applicant.

(b) For the renewal of a registration, a fee of $500 and an additional fee of $100 for each branch office of the applicant.

(c) The annual registry fee due to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council pursuant to 12 U.S.C. § 3338 or any rules or regulations adopted thereunder. The annual registry fee must only be collected from an appraisal

management company that oversees a network or panel of more than 15 appraisers in a state, or 25 or more appraisers nationally within a given year. The registry fee is:

(1) For an appraisal management company that has been in existence for more than a year:

(I) Twenty-five dollars multiplied by the number of appraisers working for or contracting with the appraisal management company and who have performed an appraisal in connection with a covered transaction in this State within a given year; or

(II) If the amount of the annual registry fee set forth in sub-subparagraph (I) is adjusted by the Appraisal Subcommittee pursuant to 12 U.S.C. § 3338, the amount of the adjusted fee multiplied by the number of appraisers working for or contracting with such appraisal management company who have performed an appraisal in connection with a covered transaction in this State within a given year.

(2) For an appraisal management company that has been in existence for less than a year:

(I) Twenty-five dollars multiplied by the number of appraisers working for or contracting with such appraisal management company who have performed an appraisal in connection with a covered transaction in this State since the commencement of the business; or

(II) If the amount of the annual registry fee set forth in sub-subparagraph (I) is adjusted by the Appraisal Subcommittee pursuant to 12 U.S.C. § 3338, the amount of the adjusted fee multiplied by the number of appraisers working for or contracting with the appraisal management company who have performed an appraisal in connection with a covered transaction in this State since the commencement of the business.

2. The registration fees prescribed by this section are nonrefundable.

Sec. 43. NAC 645C.387 is hereby amended to read as follows:

645C.387 1. An appraisal management company shall establish and maintain a process to review the work of each independent contractor who provides services to the appraisal management company to ensure that those services are conducted in accordance with the *USPAP*.

2. The review process required by this section must include the review of the work of each independent contractor who provides services to the appraisal management company by a person who is a licensed appraiser or certified appraiser in good standing in this State.

3. The review process must ensure that all appraisals are conducted independently as required by the appraisal independence requirements established under section 129 of the Truth in Lending Act, 15 U.S.C. § 1639e, and any regulations thereunder.

4. The review process must ensure that the appraisal management company is selecting an appraiser who has the requisite education, expertise and experience necessary to competently complete the appraisal assignment for the particular market and property type.

Sec. 44. NAC 645C.400 is hereby amended to read as follows:

645C.400 1. The Commission hereby adopts by reference the ***most recent edition of the*** *Uniform Standards of Professional Appraisal Practice* adopted by the Appraisal Standards Board of The Appraisal Foundation ***.*** **[**~~, 2006 edition.~~**]** The *Uniform Standards of Professional Appraisal Practice* may be obtained from The Appraisal Foundation, **[**~~Distribution Center, P.O. Box 381, Annapolis Junction, Maryland 20701-0381,~~**]** ***1155 15th Street, NW, Ste. 1111, Washington, D.C. 20005, or at www.appraisalfoundation.org,*** for the price of **[**~~$30.~~**]** ***$75.***

2. If the publication adopted by reference pursuant to subsection 1 is revised, the Commission will review the revision to determine its suitability for this State. If the Commission determines that the revision is not suitable for this State, the Commission will hold a public hearing to review its determination and give notice of that hearing within 30 days after the date of the publication of the revision. If, after the hearing, the Commission does not revise its determination, the Commission will give notice that the revision is not suitable for this State within 30 days after the hearing. If the Commission does not give such notice, the revision becomes part of the publication adopted by reference pursuant to subsection 1.

Sec. 45. NAC 645C.415 is hereby amended to read as follows:

645C.415 1. In any advertisement through which a licensee or holder of a certificate offers to perform services for which a license or certificate is required by chapter 645C of NRS, he or she shall disclose:

(a) The name under which he or she is licensed or certified;

(b) The name under which he or she does business; ~~[and]~~

(c) The type of license or certificate he or she holds ~~[.]~~ ***; and***

(d) The license or certificate number he or she holds.

2. An intern may not advertise solely under his or her own name when acting in the capacity of an intern. All such advertising must be under the direct supervision of and in the name of the supervisory appraiser with whom the intern is associated.

3. Any form of advertisement used by an appraiser may not contain any misrepresentations or misleading information.

4. As used in this section, "advertisement" includes, without limitation:

(a) Any unsolicited printed material media, sales literature, brochures, flyers and any broadcast media made by radio, television or electronic means, including, without limitation, by unsolicited electronic mail, social media and the Internet, billboards and signs; and

(b) Business cards, stationary, forms and other documents used in an appraisal of a real estate transaction.

Sec. 46. NAC 645C.430 is hereby amended to read as follows:

645C.430 1. An appraiser shall keep a copy of the appraisal report, work file and any other pertinent information relating to each appraisal the appraiser conducts for at least 5 years after the completion of the appraisal ~~[.]~~ ***or at least 2 years following any litigation, whichever period expires last.*** Only one set of files need be maintained, but the information must be available to all participating appraisers.

2. ***An appraisal management company shall keep a copy of the appraisal report provided to the client for at least 5 years after the completion of the appraisal or at least 2 years following any litigation, whichever period expires last.***

3. If a citizen's complaint or a formal complaint is filed, the Division may require an appraiser ***or appraisal management company*** to maintain all records relating to the complaint until the issue is resolved.

~~[3.]~~ ***4.*** All appraisals conducted by an appraiser must be numbered consecutively or indexed to permit an audit by a representative of the Division.

~~[4.]~~ ***5.*** The appraisal report, work file and other pertinent information relating to an appraisal must be open to inspection and audit by the Division upon its request during its usual business hours, as well as other hours during which the appraiser regularly conducts his or her business.

~~[5.]~~ ***6.*** The appraiser ***or appraisal management company*** shall give written notice to the Division of the exact location of the appraiser's ***or appraisal management company's*** records and may not remove them until he or she has delivered a notice which informs the Division of the new location.

Sec. 47. NAC 645C.700 is hereby amended to read as follows:

645C.700 1. The Division may deny any application for a license or certificate ~~[or an application for registration as an appraisal management company]~~ when one or more of the following conditions exist:

(a) The application is not in the proper form.

(b) The proper fees are not enclosed.

(c) The accompanying forms are incomplete or otherwise unsatisfactory.

(d) The application contains a false statement.

(e) Any other deficiencies appear in the application.

(f) An investigation fails to show affirmatively that the applicant possesses the necessary qualifications.

(g) The applicant has willfully acted or attempted to act in violation of any provision of chapter 116, 119, 119A, 645, 645A, 645C or 645D of NRS or the regulations adopted pursuant thereto, or has willfully aided and abetted another person to act or attempt to act in violation of any provision of those chapters or regulations.

(h) The applicant has had a license or certificate or a registration as an appraisal management company suspended or revoked in another state.

(i) The check or other negotiable instrument used in paying a fee for an examination, license or certificate is not honored by the financial institution upon which it was drawn.

2. An applicant whose application is denied by the Division may appeal the denial to the Commission as provided in NRS 645C.370. If the Commission reverses the original decision and determines that the petitioner qualifies for a license or certificate, the application may be accepted as of the date of its original submission and no additional fee will be charged.

Sec. 48. NAC 645C.0055, 645C.0065, 645C.0075 and 645C.375 are hereby repealed.

TEXT OF REPEALED SECTIONS

645C.0055 "Administrator" defined. (NRS 645C.210)

"Administrator" means the Real Estate Administrator.

645C.0065 "Commission" defined. (NRS 645C.210)

"Commission" means the Commission of Appraisers of Real Estate.

645C.0075 "Division" defined. (NRS 645C.210)

"Division" means the Real Estate Division of the Department of Business and Industry.

645C.375 Applicability: Assignment of more than nine appraisals annually to independent contractors in this State. (NRS 645C.210, 645C.600)

For the purposes of subsection 2 of NRS 645C.600, an appraisal management company enters into more than nine contracts annually with independent contractors in this State if, pursuant to a contract or contracts, the appraisal management company assigns more than nine appraisals annually to independent contractors in this State.

Insights & News

"Management Contracts Regulated by Florida Statutes" – News-Press

10.26.2025 Article, Publication News-Press Download

Joseph E. Adams

Q: Does the Florida condominium law regulate what has to be in management contracts between the management company and a condominium association? (J.D., via e-mail)

A: Yes. While the law does not generally regulate the "business terms" of management contracts (such as price), there are a number of laws that regulate management contracts.

Section 718.3025 of the Florida Condominium Act states that no written contract for management services (among other contracts covered by the statute) is valid or enforceable unless it contains the following elements: (1) the contract must outline the services to be provided, as well as the obligations and responsibilities of the management company to the unit owners; (2) the contract must detail which costs incurred in performing the services are to be reimbursed by the association to the management company; (3) the contract must indicate how often each service, obligation, or responsibility is to be performed, either individually or by category; (4) the contract must specify the minimum number of personnel the management company will employ to service the association; (5) if the developer is still in control of the association, the contract must disclose any financial or ownership interest the developer holds in the management company; (6) the contract must also disclose any financial or ownership interest that a board member or any party providing maintenance or management services holds in the contracting party.

Management contracts are also regulated by parts of Section 468 of the Florida Statutes, which is the law that regulates community association managers and community association management firms.

Section 468.4335 of the statute states that managers, management firms, their directors, officers, persons with a financial interest in the firm, and their relatives must disclose to the association's board any activity that could reasonably be construed as a conflict of interest. The statute creates a rebuttable presumption of conflict in two situations: (1) when a manager, management firm, or related party proposes to enter into a contract with the association for services other than community association management, or actually enters into such a contract without prior notice; (2) when a manager, management firm, or related party holds an interest in, or receives compensation from, a person or entity doing business with the association or seeking to contract with the association. The statute also provides that "compensation" includes referral fees, other monetary benefits, ownership interests, and profit-sharing arrangements with vendors or service providers recommended to or used by the association.

Section 468.4334 requires that every contract between a community association and a manager or management firm for management services must include a specific written statement. This statement, which must be in at least 12-point type, affirms that the manager will comply with all professional standards and record-keeping requirements imposed by part VIII of chapter 468, Florida Statutes. The statute further prohibits any contract from waiving or limiting these professional practice standards.

Florida law imposes additional important requirements on management contracts and the conduct of community association managers. For example, Section 718.111(3) of the Florida Condominium Act prohibits an association from hiring an attorney who also represents its management company, or its board members or officers. That statute further states that an association that contracts with a manager or management firm has a statutory duty to ensure the manager or firm is properly licensed before entering into a contract.

Rule 61E14-2.001 of the Florida Administrative Code provides that managers must turn over all official records, books, and property to the association within 10 business days after the management agreement ends, and upon written request, or 20 days if needed to complete financial statements. Managers must also independently comply with laws regarding owner's rights to inspect official records.

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