# NCREAA North Carolina Real Estate Appraisers association

HOUSE BILL 829

AN ACT TO CLARIFY THE DEFINITION OF REASONABLE AND CUSTOMARY COMPENSATION FOR REAL ESTATE APPRAISERS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 93E-2-4 reads as rewritten:

"**§ 93E-2-4. Qualifications for registration; duties of registrants.**

(i) For appraisal assignments of ~~property secured by the principal dwelling of the consumer,~~ 1-4 family residential properties, an appraisal management company shall ~~compensate appraisers in compliance with section 129E(i) of the federal Truth in Lending Act 10 (15 U.S.C. § 1601 et seq.) and regulations promulgated thereunder. The Board shall adopt rules 11 necessary to enforce this subsection. Rules establishing customary~~ provide customary and reasonable compensation and offers of compensation to appraisers. Compensation and offers of compensation provided to an appraiser shall be presumed reasonable if the compensation or offer of compensation is in an amount that is reasonably related to recent rates paid by the consumer for comparable appraisal services performed in the geographic market of the property being appraised. Recent rates paid shall not include those amounts paid by appraisal management companies. Customary and reasonable rates shall be based on objective third-party information, such as academic ~~studies~~ studies, government fee surveys,and independent private sector surveys. The Board shall adopt rules necessary to enforce this subsection."

**SECTION 2.** G.S. 93E-2-2 reads as rewritten:

"**§ 93E-2-2. Definitions.**

(a) The following definitions apply in this Article:

(5) Board. – The North Carolina Appraisal Board under Article 1 of this Chapter.

(5a) Consumer. – The borrower or owner of the property interest for which an appraiser's services are utilized.

(6) Employee. – An individual who has an employment relationship acknowledged by both the individual and the company and is treated as an employee for purposes of compliance with federal income tax laws.

(b) The definitions contained in G.S. 93E-1-4 also apply in this Article."

**SECTION 3.** This act is effective when it becomes law. The North Carolina Appraisal Board shall adopt rules in accordance with this act within 180 days of the effective date.