



NOTICE OF INTENT TO ADOPT A PROPOSED
AMENDMENT TO THE GEORGIA REAL ESTATE APPRAISERS BOARD

CHAPTER 539

RULE 539-1-.23 Appraisal Management Companies

AND NOTICE OF PUBLIC HEARING

TO ALL INTERESTED PARTIES:

Notice is hereby given that pursuant to the authority set forth below, the Georgia Real Estate Appraisers Board (hereinafter "Board") proposes amendments to the Georgia Real Estate Appraisers Board Rules, Chapter 539; Rule 539-1-.23 (hereinafter "proposed rule amendments").

This notice, together with an exact copy of the proposed rule amendments and a synopsis of the proposed rule amendments, is being disseminated to all persons who have requested, in writing, that they be placed on a distribution list. A copy of this notice, an exact copy of the proposed rule amendments, and a synopsis of the proposed rule amendments may be reviewed during normal business hours of 8:00 a.m. to 4:30 p.m., Monday through Friday, except official state holidays, at the Georgia Real Estate Appraisers Board, Suite 1000 International Tower, and 229 Peachtree Street, N. E. Atlanta, Georgia 30303. These documents will also be available for review on the Georgia Real Estate Appraisers Board web page at <http://www.greab.state.ga.us>. Copies may also be requested by contacting the Board office at (404) 656-3916. A public hearing will be held at 9:30 a.m. on July 17, 2022 at the Georgia Real Estate Appraisers Board, Suite 1000 International Tower, 229 Peachtree Street, N. E. Atlanta, Georgia

30303 to provide the public an opportunity to comment upon and provide input into the proposed rule amendments.

At the public hearing anyone may present data, make a statement, comment or offer a viewpoint or argument whether orally or in writing. Lengthy statements or statements of a considerable technical or economic nature, as well as previously recorded messages, must be submitted for the official record. Oral statements should be concise and will be limited to five (5) minutes per person. Additional comments should be presented in writing. Written comments are welcome. Such written comments must be legible and signed, should contain contact information from the maker (address, telephone number and/or facsimile number, etc.) and be actually received in the office prior to the close of business (4:30 P.M.) on **July 5, 2022** to allow for timely processing. Written comments should be addressed to Frank Lynn Dempsey, Georgia Real Estate Appraisers Board, Suite 1000 International Tower, 229 Peachtree Street, N. E. Atlanta, Georgia 30303.

The proposed rule amendments will be considered for adoption by the Board at its meeting on **July 17, 2022**, at 9:30 a.m. following the public hearing. According to the Department of Law, State of Georgia, the Georgia Real Estate Appraisers Board has the authority to adopt proposed rule amendments to Rule 539-1-.23 pursuant to authority contained in O.C.G.A. §§ 43-39A-13 and §43-39A-14.1 (e).

The Board will consider at its meeting on **July 17, 2022**, whether the formulation and adoption of the proposed rule amendments imposes excessive regulatory cost on any appraiser with a Georgia classification or appraisal management company and whether any cost to comply with the proposed rule amendments could be reduced by a less expensive alternative that fully accomplishes the objectives of O.C.G.A. § 43-39A-14.1 (e).

Additionally, at the meeting on **July 17, 2022**, the Board will consider whether it is legal or feasible to meet the objectives of O.C.G.A. § 43-39A-14.1 (e) to adopt or implement differing actions for businesses as listed in O.C.G.A. § 50-13-4(a)(3)(A), (B), (C) and (D). The Board will consider whether the formulation and adoption of the proposed rule amendments will impact every appraiser with a Georgia classification or appraisal management company in the same manner.

For further information, contact the Real Estate Commissioner, Frank Lynn Dempsey or at the Board office at (404) 656-3916.

This notice is given in compliance with O.C.G.A. § 50-13-4.

This 18th day of May, 2022

A handwritten signature in black ink, appearing to read "Lynn Dempsey", is positioned above a horizontal line.

Lynn Dempsey
Georgia Real Estate Commissioner

Posted: May 18, 2022

SYNOPSIS OF PROPOSED AMENDMENTS TO THE
GEORGIA REAL ESTATE APPRAISERS BOARD

CHAPTER 539

RULE 539-1-.23 Appraisal Management Companies

Purpose: In light of the recent decision and order In the Matter of Louisiana Real Estate Appraisers Board Before the Federal Trade Commission of the United States of America, and to avoid even the appearance of anticompetitive conduct or the unreasonable restraint of price competition for appraisal services in Georgia, the proposed rule amendments rescind RULE 539-1-.23 (i). The Board recognizes that the statutory authority for the rule remains as a foundation if future action is deemed necessary.

Main Features: The proposed rule amendments rescind all sections of the existing rule that address appraisal management companies paying “customary and reasonable fees” to appraisers.

DIFFERENCES BETWEEN THE EXISTING RULE AND THE PROPOSED
AMENDMENTS TO THE GEORGIA REAL ESTATE APPRAISERS BOARD

[Note: underlined text is proposed to be added; lined-through text is proposed to be deleted.]

CHAPTER 539-1 SUBSTANTIVE REGULATIONS

RULE 539-1-.23 Appraisal Management Companies

539-1-.23 Appraisal Management Companies.

An appraisal management company shall not:

- (a) fail to preserve the data and format of the appraisal as submitted by the appraiser;
- (b) with the exception of review appraisals, redact any information on the appraisal, including but not limited to the name and classification number(s) of the appraiser(s);
- (c) indicate or represent to any party that it is acting in any capacity other than a conduit between an appraiser and a client;
- (d) require an appraiser to submit a report in an unsecured format;
- (e) operate without a controlling person for more than 60 days;
- (f) fail to satisfy payment obligations for work performed by an appraiser for a period greater than 30 days from the date of delivery of an appraisal, unless otherwise agreed to by all parties in writing;
- (g) fail to include its registration number in any appraisal order; ~~or~~
- (h) require an appraiser to indemnify it or hold it harmless from any liability, damage, losses or claims arising out of the services provided by it. This prohibition shall not preclude indemnification agreements for services performed by the appraiser; ~~or~~
- ~~(i) pay any fee to an appraiser performing or attempting to perform any real estate appraisal activity in a federally related transaction without complying with the rules to regulate such transactions in accordance with 15 U.S.C. Section 1601, et seq., and the regulations promulgated there under as well as the~~

~~standards required by the federal financial institutions regulatory agency that regulates the financial transaction for which the appraisal assignment is undertaken, including, but not limited to, compensation to appraisers at a rate that is customary and reasonable for comparable appraisals being performed for one- to four-family residential units in the geographic area of the property being appraised. For purposes of this rule, geographic area may be defined by zip code, city, county, metropolitan statistical area, or a combination of contiguous counties in a non-metropolitan statistical area.~~

~~1. An appraisal management company shall be presumed to comply with this Rule if:~~

~~the appraisal management company compensates the appraiser in an amount that is reasonably related to recent rates paid for comparable appraisal services performed in the geographic market of the property being appraised. In determining this amount, the appraisal management company shall review the factors below and make any adjustments to recent rates paid in the relevant geographic market necessary to ensure that the amount of compensation is reasonable:~~

~~(1) the type of property;~~

~~(2) the scope of work;~~

~~(3) the time in which the appraisal services are required to be performed;~~

- ~~(4) appraiser qualifications;~~
- ~~(5) appraiser experience and professional record; and~~
- ~~(6) appraiser work quality.~~

- ~~2. As an alternative presumption of compliance, an appraisal management company is presumed to comply with this section if it determines the amount of compensation paid to an appraiser by relying on information about rates that:~~
 - ~~a. is based on objective third-party information, including fee schedules, studies, and surveys prepared by independent third-parties such as government agencies, academic institutions, and private research firms;~~
 - ~~b. is based on recent rates paid to a representative sample of providers of appraisal services in the geographic market of the property being appraised or the fee schedules of those providers; and~~
 - ~~c. in the case of information based on fee schedules, studies, and surveys, such fee schedules, studies, or surveys, or the information derived there from, excludes compensation paid to appraisers for appraisals ordered by appraisal management companies.~~

~~3. The Board, at its discretion, may contract with an objective third party, such as an educational institution, to develop a schedule of customary and reasonable fee rates of compensation for use by any appraisal management company electing to do so.~~

~~4. An appraisal management company shall maintain records of how it determined the customary and reasonable rate of compensation paid for each appraisal assignment.~~

Authority: O.C.G.A. Secs. 43-39A-3, 43-39A-13.