

One Hundred Fifth Legislature - Second Session - 2018

Introducer's Statement of Intent

LB741

Chairperson: Senator Brett Lindstrom

Committee: Banking, Commerce and Insurance

Date of Hearing: January 22, 2018

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The purpose of LB741 is to update Nebraska's Real Property Appraiser Act for compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("Title XI"), the Uniform Standards of Professional Appraisal Practice ("USPAP"), and the Policy Statements of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council ("ASC Policy Statements"). Title XI requires each state to prescribe appropriate standards for performance of real estate appraisals in connection with federally related transactions. In addition, real estate appraisals are to be performed in accordance with generally accepted appraisal standards, and are to be performed by an individual whose competency has been demonstrated, and whose professional conduct is subject to effective state supervision. If the State of Nebraska is found to not be in compliance with Title XI by the Appraisal Subcommittee, the Appraisal Subcommittee may remove all Nebraska-credentialed appraisers from the Federal Registry, resulting in no appraisers being qualified to appraise real property in connection with federally related transactions. Approximately 80 percent of all mortgage loan activity would be affected.

Along with the changes required for compliance with Title XI, USPAP, and the ASC Policy Statements, which include changes to date references and definitions, LB741 also includes changes to lessen the burden to obtaining or maintaining a credential, such as removing the required demonstration of general knowledge of Nebraska appraiser law, simplifying the standards for evaluation of a reciprocal applicant's jurisdiction of practice, and removing the report writing update course continuing education requirement. Finally, LB741 includes minor changes to address administration of the Nebraska's Real Property Appraiser Act, and eliminates the provisions relating to the separate credential of real property associate.

LB741 was introduced at the request of Nebraska's Real Property Appraiser Board.

The bill carries the emergency clause.

Principal Introducer: _____

Senator Brett Lindstrom