

Banking, Commerce, and Insurance Committee
Nebraska Legislature

Occupational Regulation Review
of the
Real Property Appraiser Board
Pursuant to the
Occupational Board Reform Act,
Neb. Rev. Stat. Secs. 84-933 to 84-948,
And Interim Study Resolution LR355 (Williams)

December 2020

Committee Members

Matt Williams, Chairman
Brett Lindstrom, Vice Chairman
Tim Gragert
Sara Howard
Mark Kolterman
Andrew La Grone
John McCollister
Dan Quick

Committee Staff Members

William Marienau, Senior Legal Counsel
Natalie Schunk, Committee Clerk

The Occupational Board Reform Act, Neb. Rev. Stat. Secs. 84-933 to 84-948, was enacted in 2018 to provide for legislative review of occupational regulations.

Neb. Rev. Stat. Sec. 84-948 (1) provides as follows:

(1) Beginning in 2019, each standing committee of the Legislature shall annually review and analyze approximately twenty percent of the occupational regulations within the jurisdiction of the committee and prepare and submit an annual report electronically to the Clerk of the Legislature by December 15 of each year as provided in this section. Each committee shall complete this process for all occupational regulations within its jurisdiction within five years and every five years thereafter. Each report shall include the committee's recommendations regarding whether the occupational regulations should be terminated, continued, or modified.

Neb. Rev. Stat. Sec. 84-948(2) provides as follows:

(2) Each committee may require the submission of information by the affected occupational board and other affected or interested parties.

Neb. Rev. Stat. Sec. 84-948(3) to (7) provides as follows (with requests shown in bold):

(3) A committee's report shall include, but not be limited to, the following:

(a) The title of the regulated occupation and the name of the occupational board responsible for enforcement of the occupational regulations;

Real Property Appraisers.

The Real Property Appraisers Board.

(b) The statutory citation or other authorization for the creation of the occupational regulations and occupation board;

The Real Property Appraiser Act,

Neb. Rev. Stat. Secs. 76-2201 to 76-2250.

(c) The number of members of the occupational board and how the members are appointed;

Five appointed by the Governor.

(d) The qualifications for membership on the occupational board;

The board consists of five members; three members are certified real property appraisers representing each of the three congressional districts; two members are at-large: one representative of financial institutions, one licensed real estate broker.

(e) The number of times the occupational board is required to meet during the year and the number of times it actually met.

Required FY 2020-2019: 0

Held FY 2020-2019: 10

Required FY 2019-2018: 0

Held FY 2019-2018: 13

Required FY 2018-2017: 0

Held FY 2018-2017: 13

Required FY 2017-2016: 0

Held FY 2017-2016:

Required FY 2016-2015: 0

Held FY 2016-2015: 12

(f) Annual budget information for the occupational board for the five most recently completed fiscal years;

FY 2020-2019 Budget: 447401

FY 2019-2018 Budget: 383056

FY 2018-2017 Budget: 454462

FY 2017-2016 Budget: 388173

FY 2016-2015 Budget: 462584

(g) For the immediately preceding five calendar years, or for the period of time less than five years for which the information is practically available, the number of government certifications, occupational licenses, and registrations the occupational board has issued, revoked, denied, or assessed penalties against, listed anonymously and separately per type of credential, and the reasons for such revocations, denials, and other penalties;

Issued:

	CGRPA	CRRPA	LRRPA	TRPA	SRPA	TCGRPA
2019	23	12	1	19	5	207
2018	25	6	0	19	12	172
2017	37	12	2	24	14	180
2016	19	8	5	15	10	186
2015	25	16	1	11	11	194

Key: CGRPA – Certified General Real Property Appraiser
CRRPA – Certified Residential Real Property Appraiser
LRRPA – Licensed Residential Real Property Appraiser
TRPA – Trainee Real Property Appraiser
SRPA – Supervisory Real Property Appraiser
TCGRPA – Temporary Certified General Real Property Appraiser

Revoked:

Once Certified General Real Property Appraiser in 2018.

Description of Revoked:

The intent of the Board’s regulatory program is to be educational in practice when possible. In the cases where the evidence does not support the findings, or the findings are deemed minor in nature by the Board, the Board may dismiss the charges. Based on the educational nature of the process, a dismissal letter may include advisement explaining the Board’s findings, or additional voluntary Board recommendations. Such voluntary board recommendations may include suggested continuing education coursework, an informal conference with Board members, and/or any other course of action the Board deems beneficial to the Respondent. Revocation or suspension of a credential or registration would only be considered by the Board under circumstances in which other actions taken by the Board did not result in correction of the issue by the real property appraiser, and undue harm to the public has occurred or is imminent.

A Grievance was filed against a Certified General Real Property Appraiser as the appraiser responsible for a completed appraisal report that allegedly failed meet the minimum standards required by the Uniform Standards of Professional Appraisal Practice (“USPAP”). The Board voted to open the investigation 15-18 for the Grievance. The Board’s investigation concluded that the real property appraiser report failed to meet the minimum requirements of USPAP and the Nebraska real Property Appraiser Act. A formal hearing was conducted on June 20-21, 2017 upon the complaint filed against the respondent alleging violations of Neb. Rev. Stat. § 76-237, which states “Each credential holder shall comply with the Uniform Standards of Professional Appraisal Practice. The Board shall adopt and promulgate rules and regulations which conform to the Uniform Standards of Professional Appraisal Practice,” and Neb. Rev. Stat. §76-2238 (4)(5)(12)(15)(16)(18) and (23). On August 22, 2017, the hearing officer released the Findings of Fact and Conclusion of Law confirming violations of Neb. Rev. Stat. §756-2237, and 76-2238 (4)(12)(15)(16) and (18). The Board took up this matter for determination of appropriate discipline at its October 19, 2017 meeting, and found that the violations of USPAP are substantial and serious, and issued an Order of Discipline. An Order to Show Cause and a request for an appraisal log for the period from March 1, 2018 through April 30, 2018 was issued to the real property appraiser at the Board’s meeting on May 17, 2018 for violation of the terms of the

Order of Discipline. At its meeting on June 21, 2018, the Board took notice, for the record, of receipt of the Certificate of Service dated June 20, 2018 evidencing that real property appraiser has received the Order to show Cause, and that the real property appraiser has not provided a written response to the Order to Show Cause, and that the real property appraiser has not provided a written response to the Order to Show Cause, and that the real property appraiser has not appeared before the Board concerning the Order to Show Cause, and that the real property appraiser has not appeared before the Board concerning the Order to Show Cause. The board issued an Order of Suspension to the real property appraiser for not meeting the terms of the Order of Discipline imposed by the Board at the November 16, 2017 meeting.

Denied:

Between 2015 and 209 the number of credential and registration applications denied by the Board includes on Licensed Residential Real Property Appraiser applicant, one Certified General Real Property Appraiser applicant, and two Temporary Certified General Real Property Appraiser applicants; in 2015 two Trainee Real Property Appraiser applicants, one Licensed Residential Real Property Appraiser applicant, one Certified Residential Real Property Appraiser applicant, two Certified General Real Property Appraiser applicants, and one Temporary Certified General Real Property Appraiser applicant; in 2016 one Licensed Residential Real Property Appraiser applicant, one Certified General Real Property Appraiser applicant, and two Supervisory Appraiser Real Property Appraiser applicants in 2017; one Trainee Real Property Appraiser applicant, and four Certified General Real Property Appraiser applicants in 2018; three Certified General Real Property Appraiser applicants, and two Temporary Certified General Real Property Appraiser applicants in 2019.

Description of Denied:

The Appraisal Foundation, which is authorized by the U.S. Congress in Title XI, develops the Real Property Appraiser Qualification Criteria through its Appraiser Qualifications Board. The Appraisal Subcommittee monitors the requirements established by the states, territories, and the District of Columbia and their appraiser regulatory agencies for the certification and licensing of appraisers, and reviews each state's compliance with the requirements of Title XI. The ASC is authorized by Title XI to take action against a non-complying state appraiser regulatory program if the policies, practices and procedures in place are inconsistent with the requirements of Title XI. The majority of the real property appraiser applicant denials are due to not meeting the minimum standards in the Real Property Appraiser Qualifications Criteria. Specifically, the following applications have been denied by the Board:

- Two Trainee Real Property Appraiser applicants failed to meet the minimum education requirements found in Neb. Rev. Stat. § 76-2228.01;
- One Licensed Residential Real Property Appraiser applicant for procuring or attempting to procure a credential under the act by knowingly making a false statement, submitting false information, or making a material misrepresentation in an application filed with the board or

procuring or attempting to procure a credential through fraud or misrepresentation as found in Neb. Rev. Stat. § 76-2238;

- One Certified Residential Real Property Appraiser applicant failed to meet the minimum experience requirements found in Neb. Rev. Stat. § 76-2231.01;
- One Certified Residential Real Property Appraiser applicant failed to successfully complete the examination as required in Neb. Rev. Stat. § 76-2231.01;
- Two Certified General Real Property Appraiser applicant failed to meet the minimum experience requirements found in Neb. Rev. Stat. § 76-2232;
- Four Certified General Real Property Appraiser applicants failed to successfully complete the examination found in Neb. Rev. Stat. § 76-2232;
- Two Certified General Real Property Appraiser applicants failed to provide fingerprint cards for the criminal history record check found in Neb. Rev. Stat. § 76-2232;
- One Certified General Real Property Appraiser applicant was convicted of a felony and provided no evidence that applicant's civil rights were restored as found in Neb. Rev. Stat. § 76-2227;
- One Certified General Real Property Appraiser applicant was issued a cease and desist order after unlawfully acting as a real property appraiser in this state without first obtaining proper credentialing as required under the Real Property Appraiser Act as found in Neb. Rev. Stat. § 76-2220;
- One Supervisory Appraiser Real Property Appraiser applicant failed to successfully complete disciplinary action that limits the real property appraiser's legal eligibility to engage in real property appraisal practice within three years immediately preceding the date the written request for approval as supervisory real property appraiser as required in in Neb. Rev. Stat. § 76-2228.02;
- One Supervisory Appraiser Real Property Appraiser applicant failed to hold a certified real property appraiser credential for three years immediately preceding the date of the written request for approval as supervisory real property appraiser as required in in Neb. Rev. Stat. § 76-2228.02;
- Three Temporary Certified General Real Property Appraiser applicants for procuring or attempting to procure a credential under the act by knowingly making a false statement, submitting false information, or making a material misrepresentation in an application filed with the board or procuring or attempting to procure a credential through fraud or misrepresentation as found in Neb. Rev. Stat. § 76-2238;
- One Temporary Certified General Real Property Appraiser applicant for failure to demonstrate a good reputation for honesty, trustworthiness, integrity, and competence to perform assignments in such manner as to safeguard the interest of the public as found in Neb. Rev. Stat. § 76-2227; and

- One Temporary Certified General Real Property Appraiser applicant was convicted of a felony and provided no evidence that applicant's civil rights were restored as found in Neb. Rev. Stat. § 76-2227.

Penalties Against:

The intent of the Board's regulatory program is to be educational in practice when possible. In the cases where the evidence does not support the findings, or the findings are deemed minor in nature by the Board, the Board may dismiss the charges. Based on the educational nature of the process, a dismissal letter may include advisement explaining the Board's findings, or additional voluntary Board recommendations. Such voluntary Board recommendations may include suggested continuing education coursework, an informal conference with Board members, and/or any other course of action the Board deems beneficial to the Respondent.

Title XI requires the Appraisal Subcommittee to monitor the States for the purpose of determining whether the State processes complaints and completes investigations in a reasonable time period, appropriately disciplines sanctioned appraisers and maintains an effective regulatory program. ASC Policy Statement 7 requires that States must ensure that the system for processing and investigating complaints and sanctioning appraisers is administered in a timely, effective, consistent, equitable, and well-documented manner, and ASC Policy Statement 10 requires that States must ensure that the system for processing and investigating complaints is administered in a timely, effective, consistent, equitable, and well-documented manner. In accordance with ASC Policy Statements 3 and 9, States must report all disciplinary action taken against an appraiser to the ASC via the extranet application within 5 business days after the disciplinary action is final.

The Uniform Standards of Professional Appraisal Practice is the generally recognized ethical and performance standards for the appraisal profession in the United States. USPAP was adopted by Congress in 1989, and contains standards for all types of appraisal services, including real estate, personal property, business and mass appraisal. Compliance is required for state-licensed and state-certified appraisers involved in federally-related real estate transactions. USPAP is updated every two years so that appraisers have the information they need to deliver unbiased and thoughtful opinions of value. The majority of real property appraiser disciplinary actions are the result of the failure to meet the ethical or performance standards found in USPAP.

Between 2015 and 2019 disciplinary action taken by the Board, considered to be reportable to the Appraisal Subcommittee as required by ASC Policy Statements, includes action against one Certified General Real Property Appraiser in 2017, one Certified General Real Property Appraiser in 2018, and one Certified General Real Property Appraiser in 2019.

Description of Penalties Against:

Actions against real property appraisers:

- The Board, pursuant to its authority to investigate grievances as set forth in the Act, at Neb. Rev. Stat. § 76-2239, had an investigation conducted of a report completed by a Certified General Real Property Appraiser, which was the subject of grievance number 18-01, involving appraisal of property in Douglas County, Nebraska. The investigation indicated that the appraisal report does not meet the minimum requirements of the Uniform Standards of Professional Appraisal Practice (“USPAP”). Under the Nebraska Real Property Appraiser Act, real property appraiser shall comply with USPAP and the alleged violations of USPAP would violate Neb. Rev. Stat. §§ 76-2237 & 2338 (12), (16) and (18). Real property appraiser entered into a Consent Agreement with the Nebraska Real Property Appraiser Board on February 21, 2019, and must complete a 30-hour course on the sales comparison approach, a 15-hour course on the cost approach, and a 15-hour course on residential report writing, within twelve months of the execution of the Consent Agreement. Real property appraiser must also pay \$1000.00 to the Board for costs associated with the investigation, which may be made in two payments of \$500.00 each, with the first payment to be made within sixty days of the execution of the Consent Agreement, and the second payment to be made within one-hundred twenty days of execution. Finally, real property appraiser shall submit a log for all appraisal assignments of real property in Nebraska for four consecutive quarters; the Board may select and send for a USPAP Standard 3-4 review, up to four reports appearing on the logs during the twelve months (one per quarterly period). Real property appraiser successfully met all the requirements specified in the Consent Agreement; the Board considers this matter closed as of August 20, 2020.

- The Board, pursuant to its authority to investigate grievances as set forth in Neb. Rev. Stat. § 76- 2239, had an investigation conducted of a report completed by a Certified General Real Property Appraiser, which was the subject of grievance number 17-05. The investigation indicated that the appraisal report does not meet the minimum requirements of the Uniform Standards of Professional Appraisal Practice (“UPSAP”). Under the Nebraska Real Property Appraiser Act, real property appraiser shall comply with USPAP, and the alleged violations of USPAP would violate N.R.S. § 76-2237 and N.R.S. § 76-2238 (4) (5) (12) (15) (16). The real property appraiser entered into a Consent Agreement with the Board on June 19, 2018, and must complete the 15-hour AQB approved National USPAP course within six months of execution of the Consent Agreement, and pay \$2000.00 to the Board for costs associated with the investigation within 60 days of execution of the Consent Agreement. Real property appraiser was also placed on probation for a period of six months. The Board has the ability during this probation period to request report logs, appraisal reports, workfiles, and education certificates, and may send up to two reports selected for review during the six month probation. The real property appraiser successfully met all the requirements specified in the Consent Agreement; the Board considers this matter closed as of January 17, 2019.

- A Grievance was filed against a certified general real property appraiser as the appraiser responsible for a completed appraisal report that allegedly failed meet the minimum standards required by the Uniform Standards of Professional Appraisal Practice (“USPAP”). The Board

voted to open investigation 15-18 for the Grievance. The Board's investigation concluded that the report failed to meet the minimum requirements of USPAP and the Nebraska Real Property Appraiser Act. A formal hearing was conducted on June 20-21, 2017 upon the complaint filed against the respondent alleging violations of Neb. Rev. Stat. § 76-2237, which states "Each credential holder shall comply with the Uniform Standards of Professional Appraisal Practice. The Board shall adopt and promulgate rules and regulations which conform to the Uniform Standards of Professional Appraisal Practice," and Neb. Rev. Stat. § 76-2238 (4)(5)(12)(15)(16)(18) and (23). On August 22, 2017, the hearing officer released the Findings of Fact and Conclusion of Law confirming violations of Neb. Rev. Stat. §76-2237, and 76-2238 (4)(12)(15)(16) and (18). The Board took up this matter for determination of appropriate discipline at its October 19, 2017 meeting, and found that the violations of USPAP are substantial and serious, and issued an Order of Discipline, in which the real property appraiser is placed on probation for a period of one year commencing December 1, 2017 (during the period of probation, any appraisal report by the real property appraiser shall be required to be signed by a supervisor, who shall be a Certified Real Property Appraiser in the State of Nebraska whose scope of practice is appropriate for the assignment), the Board may request logs of the real property appraiser's appraisals for any two monthly periods during the one-year probation, and the Board will have the right to have up to two reports reviewed by a review appraiser selected by the Board from the logs, a USPAP course of not less than 15 hours shall be completed by June 1, 2018, and costs associated with the investigation in the amount of \$30,000.00 shall be paid to the Board. The real property appraiser asked that the Board reconsider the Order of Discipline. At the November 16, 2017 meeting the Board agreed to formally reconsider the Order of Discipline. Upon reconsideration, the costs incurred for an administrative hearing in this matter, including fees of counsel, court reporters, investigators, and witnesses, were considered and compared with the costs incurred and taxed against respondents in other disciplinary matters. The Board also considered the level of discipline imposed by the October 19, 2017 order. The costs incurred by the Board in this action for the administrative hearing total \$45,226.75, and the total agency costs were \$50,694.54. The Board amended the Order of Discipline to reduce the costs associated with the investigation to the amount of \$24,000.00.

(h) A review of the basic assumptions underlying the creation of the occupational regulations;

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA") [Exhibit #1] requires each state to prescribe appropriate standards for the 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 uniform 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. The Real Property Appraiser Board was established as the Real Estate Appraiser Board on January 1, 1991 to carry out the requirements of Title XI. The Real Property Appraiser Act consists of qualifications for credentialing, as well as standards for appraisal practice and appraiser conduct.

Title XI was amended by the Dodd–Frank Wall Street Reform and Consumer Protection Act signed into law on July 21, 2010, which requires states to register and supervise the operations and activities of appraisal management companies. The Appraisal Management Company Registration Act was established on January 1, 2012, authorizing the Real Property Appraiser Board to register and oversee appraisal management companies in Nebraska. The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the National Credit Union Administration, the Consumer Financial Protection Bureau, and the Federal Housing Finance Agency, jointly, by rule, established minimum requirements to be applied by states to register and supervise the operations and activities of appraisal management companies; the AMC Final Rule [Exhibit #2] was adopted on June 9, 2015, with an effective date of August 10, 2018.

The Appraisal Subcommittee of the Federal Financial Institutions Examination Council monitors the requirements established by the states, territories, and the District of Columbia and their appraiser regulatory agencies for the certification and licensing of appraisers, and the registration of appraisal management companies. The Appraisal Subcommittee reviews each state’s compliance with the requirements of Title XI, and is authorized by Title XI to take action against a non-complying state appraiser regulatory program if the policies, practices and procedures in place are inconsistent with the requirements of Title XI. The Appraisal Subcommittee is also charged with monitoring and reviewing the practices, procedures, activities, and organizational structure of The Appraisal Foundation, which is authorized by the U.S. Congress to develop the Real Property Appraiser Qualification Criteria through its Appraiser Qualifications Board [Exhibit #3], and the Uniform Standards of Professional Appraisal Practice [Exhibit #4], also known as USPAP, through its Appraisal Standards Board. The Real Property Appraiser Act and the Appraisal Management Company Registration Act are updated as needed to ensure compliance with Title XI and the Appraisal Subcommittee Policy Statements [Exhibit #5].

The Board's primary functions are to issue and renew appraiser credentials; develop and implement standards for appraiser credentialing; register and renew registration for appraisal management companies; approve appraiser qualifying courses and appraiser continuing education activities, along with instructors for these activities; investigate and adjudicate grievances; develop laws and rules through relevant, efficient and effective legislation and rule making; and disseminate relevant information to general public, stakeholders, credentialed appraisers and appraisal management companies with efficiency, equity, and integrity. Through these processes, the Board ensures that the citizens of Nebraska are protected and served, and also that the appraisal business community is highly qualified through education, experience, and examination. In addition, the Board’s strives to maintain compliance with federal requirements set forth in Title XI and Dodd-Frank; and continues to monitor and improve the agency's operations efficiency and effectiveness through evaluation of its policies, procedures and functions, and the continued development of technology.

(j) A comparison of whether and how other states regulate the occupation.

The Appraisal Subcommittee of the Federal Financial Institutions Examination Council monitors the requirements established by the states, territories, and the District of Columbia and their

appraiser regulatory agencies for the certification and licensing of appraisers, and reviews each state's compliance with the requirements of Title XI. The ASC is authorized by Title XI to take action against a non-complying state appraiser regulatory program if the policies, practices and procedures in place are inconsistent with the requirements of Title XI. The Appraisal Foundation is authorized by the U.S. Congress to develop the Real Property Appraiser Qualifications Criteria and Course Approval Processes and Procedures through its Appraiser Qualifications Board, and USPAP, through its Appraisal Standards Board. All fifty U.S. states and territories must adopt the minimum Real Property Appraiser Qualifications Criteria. States may be more burdensome than the minimum found in the Real Property Appraiser Qualifications Criteria, but most, including the State of Nebraska, are not. It is also important to note that the administrative functions related to implementing and enforcing the Real Property Appraiser Qualifications Criteria may vary from state to state.

(4) Subject to subsection (5) of this section, each committee shall also analyze, and include in its report, whether the occupational regulations meet the policies stated in section 84-946 considering the following recommended courses of action for meeting such policies:

(a) If the need is to protect consumers against fraud, the likely recommendation will be to strengthen powers under the Uniform Deceptive Trade Practices Act or require disclosures that will reduce misleading attributes of the specific good or services;

Not applicable.

(b) If the need is to protect consumers against unclean facilities or to promote general health and safety, the likely recommendation will be to require periodic inspections of such facilities;

Not applicable.

(c) If the need is to protect consumers against potential damages from failure by providers to complete a contract fully or up to standards, the likely recommendation will be to require that providers be bonded;

Not applicable.

(d) If the need is to protect a person who is not party to a contract between the provider and consumer, the likely recommendation will be to require that the provider have insurance;

Not applicable.

(e) If the need is to protect consumers against potential damages by transient providers, the likely recommendation will be to require that providers register their businesses with the Secretary of State;

Not applicable.

(f) If the need is to protect consumers against a shortfall or imbalance of knowledge about the goods or services relative to the providers' knowledge, the likely recommendation will be to enact government certification; and

Not applicable.

(g) If the need is to address a systematic information shortfall such that a reasonable consumer is unable to distinguish between the quality of providers, there is an absence of institutions that provide adequate guidance to the consumer, and the consumer's inability to distinguish between providers and the lack of adequate guidance allows for undue risk of present, significant, and substantiated harms, the likely recommendation will be to enact an occupational license.

Not applicable.

(5) If a lawful occupation is subject to the Nebraska Regulation of Health Professions Act, the analysis under subsection (4) of this section shall be made using the least restrictive method of regulation as set out in section [71-6222](#).

Not applicable.

(6) In developing recommendations under this section, the committee shall review any report issued to the Legislature pursuant to the Nebraska Regulation of Health Professions Act, if applicable, and consider any findings or recommendations of such report related to the occupational regulations under review.

Not applicable.

(7) If the committee finds that it is necessary to change occupational regulations, the committee shall recommend the least restrictive regulation consistent with the public interest and the policies in this section and section [84-946](#).

In as much as this report has confirmed that the credentialing requirements for Nebraska real property appraisers in the Real Property Appraiser Act comply with, but do not exceed, the minimum national requirements, the committee recommends no changes in the Act other than continued timely amendments to maintain compliance with the always changing national requirements.

(h) A review of the basic assumptions underlying the creation of the occupational regulations;

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA") requires each state to prescribe appropriate standards for the 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 uniform 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. The Real Property Appraiser Board was established as the Real Estate Appraiser Board on January 1, 1991 to carry out the requirements of Title XI. The Real Property Appraiser Act consists of qualifications for credentialing, as well as standards for appraisal practice and appraiser conduct.

Title XI was amended by the Dodd–Frank Wall Street Reform and Consumer Protection Act signed into law on July 21, 2010, which requires states to register and supervise the operations and activities of appraisal management companies. The Appraisal Management Company Registration Act was established on January 1, 2012, authorizing the Real Property Appraiser Board to register and oversee appraisal management companies in Nebraska. The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the National Credit Union Administration, the Consumer Financial Protection Bureau, and the Federal Housing Finance Agency, jointly, by rule, established minimum requirements to be applied by states to register and supervise the operations and activities of appraisal management companies; the AMC Final Rule was adopted on June 9, 2015, with an effective date of August 10, 2018.

The Appraisal Subcommittee of the Federal Financial Institutions Examination Council monitors the requirements established by the states, territories, and the District of Columbia and their appraiser regulatory agencies for the certification and licensing of appraisers, and the registration of appraisal management companies. The Appraisal Subcommittee reviews each state's compliance with the requirements of Title XI, and is authorized by Title XI to take action against a non-complying state appraiser regulatory program if the policies, practices and procedures in place are inconsistent with the requirements of Title XI. The Appraisal Subcommittee is also charged with monitoring and reviewing the practices, procedures, activities, and organizational structure of The Appraisal Foundation, which is authorized by the U.S. Congress to develop the Real Property Appraiser Qualification Criteria through its Appraiser Qualifications Board, and the Uniform Standards of Professional Appraisal Practice [Exhibit #4], also known as USPAP, through its Appraisal Standards Board. The Real Property Appraiser Act and the Appraisal Management Company Registration Act are updated as needed to ensure compliance with Title XI and the Appraisal Subcommittee Policy Statements.

The Board's primary functions are to issue and renew appraiser credentials; develop and implement standards for appraiser credentialing; register and renew registration for appraisal management companies; approve appraiser qualifying courses and appraiser continuing education activities, along with instructors for these activities; investigate and adjudicate grievances; develop laws and rules through relevant, efficient and effective legislation and rule making; and disseminate relevant information to general public, stakeholders, credentialed appraisers and appraisal management companies with efficiency, equity, and integrity. Through these processes, the Board ensures that the citizens of Nebraska are protected and served, and also that the appraisal business community is highly qualified through education, experience, and examination. In addition, the Board's strives to maintain compliance with federal requirements

set forth in Title XI and Dodd-Frank; and continues to monitor and improve the agency's operations efficiency and effectiveness through evaluation of its policies, procedures and functions, and the continued development of technology.

(i) A statement from the occupational board on the effectiveness of the occupational regulations; and

In response to the “Savings and Loan Crisis,” Congress adopted Title XI to address the problem of unregulated persons performing incompetent and/or fraudulent appraisals for federally regulated financial institutions. Title XI’s purpose is to “provide that Federal financial and public policy interests in real estate transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision.” The Appraisal Subcommittee was created on August 9, 1989, pursuant to Title XI.

If real property appraisers were to no longer be credentialed or regulated in Nebraska, the protection of the public against systematic information shortfall would cease to exist. Without proper regulation of the real property appraiser profession, a reasonable consumer would be unable to distinguish between the quality of those providing real property appraisal services, and an absence of adequate guidance provided to the public would exist allowing for the undue risk of present, significant, and substantiated harms. In addition, if the State of Nebraska is found to not be compliant with Title XI by the Appraisal Subcommittee, all Nebraska credentialed appraisers may be removed from the Federal Registry, resulting in no appraisers qualified to appraise real property in connection with federally related transactions. Such action would have a substantial negative impact on the mortgage loan activity in Nebraska. Finally, if real property appraisers were no longer credentialed in Nebraska, there would be no real property appraisers eligible to appraise real property in connection with federally related transactions.

If appraisal management companies were to no longer be registered or regulated in Nebraska, the protection of the public against systematic information shortfall would cease to exist. Without proper regulation of the appraisal management company industry, a reasonable consumer would be unable to distinguish between the quality of those providing appraisal management services, and an absence of adequate guidance provided to the public would exist allowing for the undue risk of present, significant, and substantiated harms. In addition, if the State of Nebraska is found to not be compliant with Title XI by the Appraisal Subcommittee, all Nebraska registered appraisal management companies may be removed from the Federal Registry, resulting in no appraisal management companies to provide appraisal management services to creditors or to secondary mortgage market participants, including affiliates; or provide appraisal management services in connection with valuing a consumer's principal dwelling as security for a consumer credit transaction or incorporating such transactions into securitizations. Such action would have a substantial negative impact on the mortgage loan activity in Nebraska. Finally, if appraisal

management companies were no longer registered in Nebraska, there would be no appraisal management companies eligible to provide the services previously described.