

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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HOUSE BILL 431

Short Title: Real Estate Appraisal Clarifications. (Public)

Sponsors: Representatives Hardister, Ross, and Goodman (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Regulatory Reform, if favorable, Banking

March 23, 2017

1 A BILL TO BE ENTITLED  
2 AN ACT TO CONFORM WITH FEDERAL GUIDELINES IN THE PERFORMANCE OF  
3 EVALUATIONS FOR REAL PROPERTY FOR FEDERALLY REGULATED  
4 FINANCIAL INSTITUTIONS.

5 The General Assembly of North Carolina enacts:

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

7 **"§ 93E-1-4. Definitions.**

8 When used in this Chapter, unless the context otherwise requires, the ~~term~~following  
9 definitions apply:

- 10 (1) ~~"Appraisal" or "real estate appraisal" means an~~ Appraisal or real estate  
11 appraisal. – An analysis, opinion, or conclusion as to the value of identified  
12 real estate or specified interests therein performed for compensation or other  
13 valuable consideration.
- 14 (2) ~~"Appraisal assignment" means an~~ Appraisal assignment. – An engagement  
15 for which an appraiser is employed or retained to act, or would be perceived  
16 by third parties or the public as acting, as a disinterested third party in  
17 rendering an unbiased appraisal.
- 18 (3) ~~"Appraisal Board" or "Board" means the~~ Appraisal Board or Board.– The  
19 North Carolina Appraisal Board established under G.S. 93E-1-5.
- 20 (4) ~~"Appraisal Foundation" or "Foundation" means~~ Appraisal Foundation or  
21 Foundation. – The Appraisal Foundation established on November 20, 1987,  
22 as a not-for-profit corporation under the laws of Illinois.
- 23 (5) ~~"Appraisal report" means any~~ Appraisal report. – Any communication,  
24 written or oral, of an appraisal.
- 25 (6) ~~"Certificate" means that~~ Certificate. – A document issued by the North  
26 Carolina Appraisal Board evidencing that the ~~individual person~~ named  
27 therein has satisfied the requirements for certification as a certified real  
28 estate appraiser and bearing a certificate number assigned by the Board.
- 29 (7) ~~"Certificate holder" means a person~~ Certificate holder. – An individual  
30 certified by the Board under the provisions of this Chapter.
- 31 (7a) ~~"Certified general real estate appraiser" means a person~~ Certified general real  
32 estate appraiser. – An individual who holds a current, valid certificate as a  
33 certified general real estate appraiser issued under the provisions of this  
34 Chapter.



- 1           (7b) ~~"Certified residential real estate appraiser" means a person~~Certified  
2           residential real estate appraiser. – An individual who holds a current, valid  
3           certificate as a certified residential real estate appraiser issued under the  
4           provisions of this Chapter.
- 5           (7c) ~~"Comparative market analysis" and "broker price opinion" mean~~  
6           ~~an~~Comparative market analysis or broker price opinion. – An estimate  
7           prepared by a licensed real estate broker that details the probable selling  
8           price or leasing price of a particular parcel of or interest in property and  
9           provides a varying level of detail about the property's condition, market, and  
10          neighborhood, and information on comparable properties, but does not  
11          include an automated valuation model.
- 12          (7d) Evaluation. – A determination as to the value of real estate performed for a  
13          federally regulated financial institution in accordance with the Interagency  
14          Guidelines.
- 15          (7e) Interagency Guidelines. – The Interagency Appraisal and Evaluation  
16          Guidelines issued jointly by the Federal Deposit Insurance Corporation,  
17          Federal Reserve System, National Credit Union Administration, Office of  
18          Thrift Supervision, and the Office of the Comptroller of the Currency.
- 19          (8) ~~"License" means that~~License. – A document issued by the North Carolina  
20          Appraisal Board evidencing that the ~~person~~individual named therein has  
21          satisfied the requirements for licensure as a licensed real estate appraiser and  
22          bearing a license number assigned by the Board.
- 23          (8a) ~~"Licensed residential real estate appraiser" means a person~~Licensed  
24          residential real estate appraiser. – An individual who holds a current, valid  
25          license as a licensed residential real estate appraiser issued under the  
26          provisions of this Chapter.
- 27          (9) ~~"Licensee" means a person~~Licensee. – An individual licensed by the Board  
28          under the provisions of this Chapter.
- 29          (10) ~~"Real estate" or "real property" means land,~~Real estate or real property. –  
30          Land, including the air above and ground below and all appurtenances and  
31          improvements thereto, as well as any interest or right inherent in the  
32          ownership of land.
- 33          (11) ~~"Real estate appraiser" or "appraiser" means a person~~Real estate appraiser or  
34          appraiser. – An individual who for a fee or valuable consideration develops  
35          and communicates real estate appraisals or otherwise gives an opinion of the  
36          value of real estate or any interest therein.
- 37          (12) ~~"Real estate appraising" means the~~Real estate appraising. – The practice of  
38          developing and communicating real estate appraisals.
- 39          (13) ~~"Residential real estate" means any~~Residential real estate. – A parcel of real  
40          estate, improved or unimproved, that is exclusively residential in nature and  
41          that includes or is intended to include a residential structure containing not  
42          more than four dwelling units and no other improvements except those  
43          which are typical residential improvements that support the residential use  
44          for the location and property type. A residential unit in a condominium, town  
45          house, or cooperative complex, or planned unit development is considered to  
46          be residential real estate.
- 47          (14) through (16) Repealed by Session Laws 2007-506, s. 4, effective October 1,  
48          2007.
- 49          (17) ~~"Temporary appraiser licensure or certification" means the~~Temporary  
50          appraiser license or certification. – The issuance of a temporary license or  
51          certificate by the Board to a ~~person~~an individual licensed or certified in

1 another state who enters this State for the purpose of completing a particular  
2 appraisal assignment.

3 (18) ~~"Trainee", "registered trainee", or "trainee real estate appraiser" means a~~  
4 ~~person~~Trainee, registered trainee, or trainee real estate appraiser. – An  
5 individual who holds a current, valid registration as a trainee real estate  
6 appraiser issued under the provisions of this Chapter.

7 (19) ~~"Trainee registration" or "registration as a trainee" means the~~Trainee  
8 registration or registration as a trainee. – A document issued by the North  
9 Carolina Appraisal Board evidencing that the ~~person~~individual named  
10 therein has satisfied the requirements of registration as a trainee real estate  
11 appraiser and bearing a registration number assigned by the Board."

12 **SECTION 2.** Article 1 of Chapter 93E of the General Statutes is amended by  
13 adding a new section to read:

14 **"§ 93E-1-15. Evaluations performed by appraisers.**

15 Evaluations may be performed by persons licensed or certified by the Appraisal Board if  
16 they are performed in accordance with the Interagency Guidelines. Appraisers performing  
17 evaluations shall develop and report these evaluations in accordance with the Interagency  
18 Appraisal and Evaluation Guidelines and do not have to report evaluations in accordance with  
19 Standards 1 and 2 of the Uniform Standards of Professional Appraisal Practice. An evaluation  
20 report shall contain a disclaimer stating that "This evaluation is not an appraisal performed in  
21 accordance with Standards 1 and 2 of the Uniform Standards of Professional Appraisal Practice  
22 and is intended only for the use of a federally regulated financial institution in accordance with  
23 the Interagency Guidelines."

24 **SECTION 3.** This act is effective when it becomes law.