

**LCB File No. R091-09**

**PROPOSED REGULATION OF THE  
COMMISSION ON APPRAISERS OF REAL ESTATE**

(This draft replaces the one posted July 31, 2009)

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: NRS 645C.210

**Section 1.** Chapter 645C of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive of this regulation.

**GENERAL PROVISIONS**

**Sec. 2.** *“Appraisal contract” is defined as one appraisal assignment.*

**Sec. 3.** *“Principal office” is the headquarters or home office of the appraisal management company.*

**Sec. 4.** *“Branch office” is an office location physically located within the State of Nevada or any office location which is responsible for conducting business in Nevada.*

**Sec. 5.** *“Qualified Employee” is a principal, general partner, director, officer, manager or registered agent designated by the appraisal management company.*

(Please place Sec. 6 & 7 under - LICENSING AND CERTIFICATION; SUPERVISION)

**Sec. 6.** *Application for registration of an appraisal management company: Required information:*

*1. The application for a registration of an appraisal management company provided by the Division requires the following information:*

- (a) The name of the appraisal management company;*
- (b) Name of each principal, general partner, director, or officer;*
- (c) Name of designated qualified employee;*
- (d) Main office address;*
- (e) Address for each branch office located in Nevada;*
- (f) Residence address of each principal, general partner, director, or officer;*
- (g) The social security number of each principal, general partner, director or officer;*
- (h) One recent photograph of each principal, general partner, director or officer; and*
- (i) Such other pertinent information as the Division may require.*

*2. The application must be accompanied by:*

*(a) Fingerprint cards completed by each principal, general partner, director, officer and qualified employee;*

*(b) A photograph of each principal, general partner, director or officer;*

*(c) A copy of the companies appraise fee schedule; and*

*(d) A certification verifying the company has a process in place to verify each appraiser is licensed and in good standing in this State and that the company has a process in place to review the work of each independent contract to ensure compliance with USPAP.*

**Sec. 7. Application for appraisal management company registration or renewal of registration fees:**

1. *At the time an applicant submits an application for a registration the Division shall collect:*
  - (a) Issuance of registration: \$2500.*
  - (b) Branch office: \$100.*
  - (c) Renewal of registration: \$500.*
  - (d) Renewal of a branch office: \$100.*
2. *The application fee is nonrefundable.*

**Sec. 8. NAC 645C. Definitions is hereby amended to read as follows:**

**NAC 645C. Definitions.** As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 645C.0055 to ~~[645C.0095]~~ **645C.0099**, inclusive, have the meanings ascribed to them in those sections.

**Sec. 9. NAC 645C.040 is hereby amended to read as follows:**

**NAC 645C.040 Confidentiality of records of Division.** (NRS 645C.210, 645C.220) The Division will, unless otherwise ordered by a court, keep confidential:

1. The criminal or financial records of an appraiser or intern or an applicant for a certificate, license, *registration* or registration card;
2. The examination and the results of the examination for a certificate or license; and
3. The social security number of an appraiser or intern or an applicant for a certificate, license or registration card, except when reporting information concerning an appraiser, intern or applicant to the National Registry of Real Estate Appraisers.

**Sec. 10. NAC 645C.045 is hereby amended to read as follows:**

**NAC 645C.045 Disclosure of disciplinary action or denial of application for license.** (NRS 645C.210) The Commission may report any disciplinary action it takes against a licensee or any denial of an application for a license to:

1. Any national repository which records disciplinary action taken against licensees;
2. Any agency of another state which regulates the practice of the appraisal of real estate, *appraisal management company*; or
3. Any agency or board of the State of Nevada.

**Sec. 11. NAC 645C.070 is hereby amended to read as follows:**

## **LICENSING AND CERTIFICATION; SUPERVISION**

**NAC 645C.070 Grounds for denial of application; appeal of denial.**

1. The Division may deny any application for a license or certificate or *registration* when one or more of the following conditions exist:

- (a) The application is not in the proper form.
  - (b) The proper fees are not enclosed.
  - (c) The accompanying forms are incomplete or otherwise unsatisfactory.
  - (d) The application contains a false statement.
  - (e) Any other deficiencies appear in the application.
  - (f) An investigation fails to show affirmatively that the applicant possesses the necessary qualifications.
  - (g) The applicant has willfully acted or attempted to act in violation of any provision of chapter 116, 119, 119A, 645, 645A, 645C or 645D of NRS or the regulations adopted pursuant thereto, or has willfully aided and abetted another person to act or attempt to act in violation of any provision of those chapters or regulations.
  - (h) The applicant has had a license or certificate suspended or revoked in another state.
  - (i) The check or other negotiable instrument used in paying a fee for an examination, license or certificate is not honored by the financial institution upon which it was drawn.
2. An applicant whose application is denied by the Division may appeal the denial to the Commission as provided in NRS 645C.370. If the Commission reverses the original decision and determines that the petitioner qualifies for a license or certificate, the application may be accepted as of the date of its original submission and no additional fee will be charged.

**Sec. 12. NAC 645C.140 is hereby amended to read as follows:**

**NAC 645C.140 Loss of license or certificate.** (NRS 645C.210) If a license or certificate **or registration** must be surrendered and it is not, the licensee or holder of the certificate shall file an affidavit with the Division showing that the license or certificate has been lost, destroyed or stolen. The affidavit must contain the licensee's or holder's promise to return the license or certificate if it is recovered.

**Sec. 13. NAC 645C.145 is hereby amended to read as follows:**

**NAC 645C.145 1. Cancellation of license, certificate, *registration* or registration card for failure to report change of address or termination of association.** (NRS 645C.210) If the Division determines that an appraiser has discontinued business at the address at which he is licensed or holds a certificate or that an intern is no longer associated with an appraiser under whom he is registered, and the facts have not been reported to the Division by the appraiser or intern, the appraiser's license or certificate or the intern's registration card may be cancelled by the Division.

*2. An appraisal management must notify the Division within ten days of a change of address of its principal office or branch office location. If the Division determines that an Appraisal Management company has discontinued business at the address at which it is registered the registration may be canceled by the Division.*

**Sec. 14. NAC 645C.150 is hereby amended to read as follows:**

**NAC 645C.150 Disciplinary action for dishonor of instrument.** (NRS 645C.210, 645C.463) A license, certificate, **registration** or registration card may be cancelled, revoked or suspended, or the licensee, holder of the certificate or intern fined, if any instrument given to the Division is not honored by the financial institution upon which it is drawn.

**Sec. 15. NAC 645C.430 is hereby amended to read as follows:**

**STANDARDS OF PRACTICE**

**NAC 645C.430 Maintenance and inspection of records.** (NRS 645C.210, 645C.400)

1. An appraiser shall keep a copy of the appraisal report, work file and any other pertinent information relating to each appraisal he conducts for at least 5 years after the completion of the appraisal. Only one set of files need be maintained, but the information must be available to all participating appraisers.

2. If a citizen's complaint or a formal complaint is filed, the Division may require an appraiser to maintain all records relating to the complaint until the issue is resolved.

3. All appraisals conducted by an appraiser must be numbered consecutively or indexed to permit an audit by a representative of the Division.

4. The appraisal report, work file and other pertinent information relating to an appraisal must be open to inspection and audit by the Division upon its request during its usual business hours, as well as other hours during which the appraiser regularly conducts his business.

5. The appraiser *or appraisal management company* shall give written notice to the Division of the exact location of his records and may not remove them until he has delivered a notice which informs the Division of the new location.

*6. An appraisal management company will maintain a detailed record of each request for services it receives and the independent contractor who fulfilled that request.*

**Sec. 16. NAC 645C.440 is hereby amended to read as follows:**

**NAC 645C.440 Cooperation in inspections and audits.** (NRS 645C.210) An appraiser, ~~or~~ intern *or appraisal management company* shall, upon demand, provide the Division with the documents and the permission necessary to complete fully an inspection and audit of his records.

**Sec. 16. NAC 645C.450 is hereby amended to read as follows:**

**NAC 645C.450 Correction of deficiencies: Notice; time; failure to comply.** (NRS 645C.210)

1. The Division may grant any appraiser ~~or~~ intern, *or appraisal management company* up to 10 calendar days to correct any deficiency involving advertising, the location of his business, his office operation or an appraiser's sign. A notice of the deficiency and a request to correct a deficiency must be mailed to the licensee or holder of a certificate. Failure to comply with the request may be grounds for the suspension or revocation of a license or certificate. The notice must be sent on a form provided by the Division and state the deficiencies or violations, the recommended action and the date by which the deficiencies must be corrected.

2. The Division may grant an extension for a definite time to correct the deficiency whenever the correction may, practicably, require additional time.