

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 completion of an appraisal, unless otherwise agreed to by all parties in writing;
- (g) fail to include its registration number in any appraisal order;
- (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.