



**Rules of
Department of Commerce and
Insurance**

**Division 2245—Real Estate Appraisers
Chapter 10—Appraisal Management Company**

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**Title 20—DEPARTMENT OF
COMMERCE AND INSURANCE
Division 2245—Real Estate Appraisers
Chapter 10—Appraisal Management
Company**

20 CSR 2245-10.010 Appraisal Management Company Application Requirements

PURPOSE: This rule informs applicants of the requirements, procedures, and qualifications necessary for obtaining a license.

(1) To apply for a license, an appraisal management company (AMC) shall submit a non-refundable initial application fee as established by rule in 20 CSR 2245-5.020(2) along with the written application on a form provided by the commission which shall include, but is not limited to, the following information:

- (A) Name of entity seeking registration;
- (B) Business address of entity seeking registration, which shall be located and maintained in this state;
- (C) Phone contact information of the entity seeking registration;
- (D) The name and contact information for the company's agent for service of process in this state;
- (E) The name, address, and contact information for any individual or any corporation, partnership, or other business entity that owns more than ten percent (10%) of the appraisal management company;
- (F) The name, address, and contact information for a designated controlling person to be the primary communication source for the commission;
- (G) Proof of submission of fingerprints to the Missouri State Highway Patrol's approved vendor for both a Missouri State Highway Patrol and Federal Bureau of Investigation background check for the controlling person and each person who owns more than ten percent (10%) of an appraisal management company as listed on the application;
- (H) A surety bond in the amount of twenty thousand dollars (\$20,000); and

(I) Verification from each state, United States territory, province, or country regulatory entity in which a license, certificate, registration, or permit as an appraisal management company is held or has ever been held, submitted directly to the commission.

(2) An AMC which operates in this state under more than one (1) business name (d.b.a.s or "doing business as") shall disclose the name of each d.b.a. on the application for licensure.

(3) The initial application submitted by the appraisal management company shall include the following certifications:

(A) That the AMC has a system in place to verify appraisers on their panel are licensed by the Missouri Real Estate Appraisers Commission and hold a current, valid, unencumbered license to practice in the state of Missouri;

(B) That the AMC has in place a system to review the work of all appraisers performing appraisal services and that the services are conducted in compliance with the Uniform Standards of Professional Appraisal Practice;

(C) That the AMC maintains a detailed record of each service request that it receives for appraisal services in Missouri and the appraiser who performs the appraisal services for the AMC; and

(D) That the AMC has reviewed each person or entity that owns more than ten percent (10%) of the AMC and no person or entity owning more than ten percent (10%) of the AMC has held a license or certificate that was refused, denied, cancelled, revoked, or surrendered in lieu of revocation.

(4) An AMC shall notify the commission in writing within thirty (30) days of a change in its controlling person, agent of record, or ownership composition.

(5) Each application for an appraisal management company registration shall be made in the name of the person or business entity authorized to conduct business in Missouri. No registration shall be issued to a company that has no legal recognition. A Missouri AMC shall maintain a current and active authorization to conduct business in Missouri with the Missouri Secretary of State.

AUTHORITY: sections 43.543, 339.509, 339.511, 339.513, and 339.544, RSMo 2016. Original rule filed Nov. 13, 2012, effective June 30, 2013. Amended: Filed Nov. 9, 2017, effective May 30, 2018.*

**Original authority: 43.543, RSMo 1993, amended 2003, 2005, 2008, 2013; 339.509, RSMo 1990, amended 1998, 2012; 339.511, RSMo 1990, amended 1998, 2012; 339.513, RSMo 1990, amended 1990, 1998, 2007, 2012; and 339.544, RSMo 1998.*

20 CSR 2245-10.020 Appraisal Management Company Standards of Practice

PURPOSE: This rule informs applicants of the appraisal management company standards of practice.

(1) An appraisal management company (AMC) that has been issued a registration by the Missouri Real Estate Appraisers Commission under these rules shall be responsible for complying with the following:

(A) Shall maintain with the commission the name and address of a registered agent for service of process and shall furnish the commission within five (5) business days of any changes to the information on file;

(B) Shall maintain a complete record of all requests for appraisal services referred to state licensed and certified appraisers, the amount of fees collected from borrowers or clients as well as payments to the appraisers, and shall make such information available upon commission request;

(C) Shall separately state to the client the fees paid to an appraiser for the appraisal services and the fees charged by the appraisal management company for services associated with the management of the appraisal process, including procurement of the appraiser's services;

(D) Shall make available to the commission any and all records that are required to be kept or records deemed by the commission to be pertinent to an investigation of a complaint against a registrant;

(E) Shall designate a controlling person responsible for ensuring compliance with the acts and regulations and shall file with the commission a certification identifying the controlling person and that individual's acceptance of these responsibilities;

(F) Shall maintain all records for a period of five (5) years. Additionally, records that are used in judicial proceedings in which the appraiser provided testimony related to the assignment shall be retained for at least two (2) years after disposition;

(G) At any time a document filed with the commission becomes inaccurate or incomplete the registrant shall, within thirty (30) days, file an amendment correcting the information;

(H) Shall disclose to an appraiser within their engagement documents verification of their state registration with the Missouri Real Estate Appraisers Commission;

(I) Shall conduct its appraisal management services in accordance with the requirements of section 129E(a) through (i) of the Truth in Lending Act, 15 U.S.C. 1639e(a) through (i), and regulations thereunder;

(J) Shall not employ any person directly involved in appraisal management services who has a license or certificate to act as an appraiser in Missouri or in any other state that was refused, denied, cancelled, revoked, or surrendered in lieu of a pending revocation and not subsequently granted or reinstated;



(K) Shall not knowingly enter into any independent contractor arrangement, whether in verbal, written, or in other form, with any person who has had a license or certificate to act as an appraiser in Missouri or in any other state refused, denied, cancelled, revoked, or surrendered in lieu of a pending revocation and not subsequently granted or reinstated;

(L) Shall not knowingly enter into any contract, agreement, or other business relationship directly involved with the performance of real estate appraisal or appraisal management services, whether in verbal, written, or any other form, with any entity that employs, has entered into an independent contract arrangement, or has entered into any contract, agreement, or other business relationship, whether in verbal, written, or any other form, with any person who has ever had a license or certificate to act as an appraiser in Missouri or in any other state, refused, denied, cancelled, revoked, or surrendered in lieu of a pending revocation and not subsequently granted or reinstated;

(M) Shall not prohibit an appraiser who is part of an appraiser panel from recording the fee that the appraiser was paid by the appraisal management company for the performance of the appraisal within the appraisal report;

(N) Shall not require an appraiser to modify any aspect of an appraisal report unless the modification complies with Uniform Standards of Professional Appraisal Practice;

(O) Shall only require an appraiser to prepare an appraisal under a time frame that affords the appraiser, in their own professional judgment, the ability to meet all relevant legal and professional obligations. Appraisers shall decline appraisal assignments made outside of such time frame and shall notify the AMC accordingly;

(P) Shall not prohibit or inhibit legal or other allowable communication between the appraiser and—

1. The lender;
2. A real estate licensee; or
3. Any person from whom the appraiser, in the appraiser's own professional judgment, believes the communication would be relevant;

(Q) Shall not require the appraiser to do anything that does not comply with the—

1. Uniform Standards of Professional Appraisal Practice;
2. Sections 339.500 to 339.549, RSMo, and the regulations promulgated thereunder;
3. Any assignment conditions required by the client; or
4. The appraisal independence standards of the Truth in Lending Act (TILA);

(R) Shall not make any portion of the appraiser's fee or the appraisal management

company's fee contingent on a predetermined or favorable outcome, including, but not limited to:

1. A loan closing; or
2. Specific dollar amount being achieved by the appraiser in the appraisal report;

(S) Shall not require an appraiser to provide the appraisal management company with the appraiser's digital signature or seal; and

(T) Shall not alter, modify, or otherwise change a completed appraisal report submitted by an appraiser.

(2) No employee, director, officer, or agent of an AMC shall influence or attempt to influence the development, reporting, or review of an appraisal through coercion, extortion, collusion, compensation, instruction, inducement, intimidation, bribery, or in any other manner, including but not limited to:

(A) Withholding or threatening to withhold timely payment for an appraisal, except in cases of substandard performance or non-compliance with conditions of engagement;

(B) Withholding or threatening to withhold future business or demoting, terminating, or threatening to demote or terminate an appraiser;

(C) Expressly or impliedly promising future business, promotions, or increased compensation for an appraiser;

(D) Conditioning the request for an appraisal of the payment of an appraisal fee or salary or bonuses on the opinion, conclusion, or valuation to be reached, or on a preliminary estimate or opinion requested from an appraiser;

(E) Requiring that an appraiser provide an estimated, predetermined, or desired valuation in an appraisal report or provide estimated values or comparable sales at any time prior to the appraiser's completion of an appraisal;

(F) Providing to an appraiser an anticipated, estimated, encouraged, or desired value for a subject property or proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;

(G) Providing an appraiser, or any entity or person related to the appraiser, stock or other financial or nonfinancial benefits;

(H) Allowing the removal of an appraiser from an appraiser panel without prior written notice to such appraiser outlining the reason(s) for removal and allowing the appraiser a reasonable amount of time to respond;

(I) Any other act or practice that knowingly impairs or attempts to impair an appraiser's independence, objectivity, or impartiality;

(J) Requiring an appraiser to collect an appraisal fee on behalf of the AMC from the borrower, homeowner, or other third party; or

(K) Requiring an appraiser to indemnify an AMC or hold an appraisal management company harmless for any liability, damage, losses, or claims arising out of the services performed by the AMC, and not the services performed by the appraiser.

(3) Nothing in sections (1) and (2) of this regulation shall prohibit the AMC from requesting that an appraiser—

(A) Provide additional information about the basis for a valuation;

(B) Correct objective factual errors in an appraisal report; or

(C) Provide additional information with the appraisal regarding additional sales provided through an established dispute process.

AUTHORITY: sections 339.509, 339.511, and 339.544, RSMo 2016. Original rule filed Nov. 13, 2012, effective June 30, 2013. Amended: Filed Nov. 9, 2017, effective May 30, 2018.*

**Original authority: 339.509, RSMo 1990, amended 1998, 2012; 339.511, RSMo 1990, amended 1998, 2012; and 339.544, RSMo 1998.*

20 CSR 2245-10.030 Renewal

PURPOSE: This rule establishes the expiration and renewal dates for appraisal management companies.

(1) Every license issued shall expire on June 30 of every even numbered year after the date of issuance. The commission shall mail to each registrant, at least sixty (60) days prior to the expiration date of each renewal year, a notice of the expiration and application for renewal of the license to the address on file with the commission. The commission may issue a new registration for each renewal period upon receipt of a properly completed renewal application, nonrefundable fee as established by rule in 20 CSR 2245-5.020(2), and satisfactory proof that the appraisal management company (AMC) meets all requirements for licensure renewal postmarked before midnight on June 30 of each year of expiration. Delinquent renewals shall be accompanied by a nonrefundable delinquent fee as established by rule in 20 CSR 2245-5.020(2).

(2) At the time of renewal the AMC shall certify to the commission on the renewal form that—

- (A) The AMC has a system and process in



place to verify that an individual being added to the appraiser panel holds an active license in good standing in this state;

(B) The AMC has a system in place to verify that an individual whom the AMC is making an assignment for the completion of an appraisal has not had a license or certificate refused, denied, cancelled, revoked, or surrendered in lieu of pending revocation and not subsequently granted or reinstated;

(C) The AMC has a system in place to perform an appraisal review on a periodic basis of the work of all appraisers who are performing appraisals for the AMC to validate the appraisals are being conducted in compliance with the Uniform Standards of Professional Appraisal Practice; and

(D) The AMC maintains a detailed record of each service request for appraisal services within the state of Missouri that it receives from each appraiser who performs an appraisal for the AMC in Missouri.

(3) Failure to receive the notice and application to renew from the commission shall not excuse the registrant from the requirements for renewal contained in this rule.

AUTHORITY: sections 339.511, 339.525, and 339.544, RSMo 2016. Original rule filed Nov. 13, 2012, effective June 30, 2013. Amended: Filed Nov. 9, 2017, effective May 30, 2018.*

**Original authority: 339.511, RSMo 1990, amended 1998, 2012; 339.525, RSMo 1990, amended 1997, 2007, 2012; and 339.544, RSMo 1998.*

20 CSR 2245-10.040 Surety Bond Requirements

PURPOSE: This rule establishes surety bond requirements for appraisal management companies.

(1) The appraisal management company (AMC) shall maintain a valid surety bond in the amount of twenty thousand dollars (\$20,000) and shall submit proof of such bond at the time of initial application, upon renewal, upon maintaining the bond after a draw-down, and at any time requested by the commission. The surety bond shall be in a form prescribed by the commission.

(2) The bond shall accrue to the Missouri Real Estate Appraisers Commission for the benefit of a consumer claimant against the AMC to secure the faithful performance of the AMC's obligations pursuant to sections 339.500 through 339.549, RSMo, and regulations validly promulgated thereunder.

(3) The bond shall be issued by a bonding or insurance company authorized to do business in Missouri and shall secure the faithful performance of the AMC, its employees, or agents in connection with the activities of the AMC.

(4) When an action is commenced on the AMC's bond, the commission may require the filing of a new bond. Immediately upon any recovery on the bond, the AMC shall file a new bond with the commission demonstrating the full penal amount of twenty thousand dollars (\$20,000).

(5) The surety bond is for the protection of consumers and the commission may make a claim on the bond on behalf of a consumer sustaining injury as a result of the actions of an AMC not in compliance with or in violation of sections 339.500 through 339.549, RSMo.

(6) Alternatively, in lieu of presenting a claim on the bond directly, the commission may release a copy of the bond to a consumer or the consumer's attorney. The request for release of the bond to the commission shall be in writing and contain sufficient documentation of the basis for the claim and/or a final judgment from a court of law granting the consumer relief against the AMC. The release of the bond from the commission shall be in writing to the consumer or the consumer's attorney.

(7) On receipt by the commission of notice of intent to cancel a bond by a corporate surety, the commission shall immediately notify the AMC that is the principal of the bond of the effective date of the cancellation. The AMC shall provide, from the corporate surety to the commission, no less than thirty (30) days notice prior to cancellation of the bond. Upon notice from the commission of the cancellation of the bond, the AMC shall furnish a like bond before the cancellation date and within seven (7) business days after mailing the notice by the commission. The AMC shall maintain and replace the bond to twenty thousand dollars (\$20,000) after each draw-down and the bond shall remain in effect for the life of the registration and for one (1) year after expiration, revocation, surrender, or cessation of business by the AMC.

AUTHORITY: section 339.511, RSMo Supp. 2012, and section 339.544, RSMo 2000. Original rule filed Nov. 13, 2012, effective June 30, 2013.*

**Original authority: 339.511, RSMo 1990, amended 1998 and 339.544, RSMo 1998.*