

A RESOLUTION

23-179

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

July 9, 2019

To declare an emergency with respect to the need to require the Department of Insurance, Securities, and Banking to provide for the licensing of certain entities providing appraisal management services in the District of Columbia and to require an annual registration fee to be paid by those entities.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Appraisal Management Company Regulation Emergency Declaration Resolution of 2019”.

Sec. 2. (a) The Dodd-Frank Wall Street Reform and Consumer Protection Act, approved July 21, 2010 (124 Stat. 1386; 12 U.S.C. § 5301 *et seq.*) (“Dodd-Frank Act”) required the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Federal Housing Finance Agency, and the Bureau of Consumer Financial Protection to establish minimum requirements to be applied by a state in the registration of appraisal management companies.

(b) Section 1473(f)(2) of the Dodd-Frank Act added a new section 1124 to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, effective July 21, 2010 (124 Stat. 2192; 12 U.S.C. § 3353(f)). Section 1124 prohibits an appraisal management company that is not subject to oversight by a federal financial institutions regulatory agency from performing services related to federally related transactions in a state in which the company is not registered beginning 36 months after the date on which regulations required by the Dodd-Frank Act are prescribed in final form. Section 1124 also permits an appraisal management company to request a 12-month extension of that 36-month deadline if a state has made substantial progress in establishing a registration and supervision system.

(c) Federal agencies issued the final rules required by the Dodd-Frank Act on June 9, 2015, entitled the Minimum Standards for Appraisal Management Companies (80 FR 32658), which became effective on August 10, 2015.

(d) The District of Columbia requested and was granted a 12-month extension to establish a registration and supervision system for appraisal management companies.

(e) If a District registration and supervision system for appraisal management companies is not in place by August 10, 2019, appraisal management companies will not be able to facilitate

ENROLLED ORIGINAL

federally related transactions in the District. This could lead to higher appraisal costs for consumers, adoption of burdensome contingency plans by lenders to avoid federally related transactions, and a loss of revenue for appraisal management companies.

(f) Immediate legislative action is necessary to avoid disruption to the District's residential real estate market.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Appraisal Management Company Regulation Emergency Act of 2019 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.