
Washington Administrative Code Notice of Permanent Rules for Appraisal Management Companies

This explanatory statement concerns the **Washington State Department of Licensing's adoption of changes to:**

WAC 308-409-020 – Application process to license as an appraisal management company
WAC 308-409-030 – Licensure and renewal
WAC 308-409-050 – Fees and charges
WAC 308-409-090 – Valuation independence standards

The Administrative Procedure Act (RCW 34.05.325(6)) requires agencies to complete a concise explanatory statement before filing adopted rules with the Office of the Code Reviser. This statement must be provided to anyone who gave comment about the proposed rulemaking.

The Department of Licensing will file the amended rules with the Office of the Code Reviser. These rule changes will become effective 31 days after filing (approximately November 14, 2016).

The Department of Licensing appreciates your involvement in this rule making process. If you have any questions, please contact Damon Monroe, Agency Rules Coordinator, at (360) 902-3843 or e-mail at dmonroe@dol.wa.gov.

What are the agency's reasons for adopting this rule?

Amending these rules is necessary to ensure the Agency remains in compliance with RCW 18.310 and section 1124 to Title XI of the Financial Institutions, Reform, Recovery and Enforcement Act (FIRREA) as modified by section 1473 of the 2010 Dodd-Frank Act.

These changes update fingerprint process requirements, clarify fingerprint fees to be paid to the vendor, updates existing timeframe for renewing to accommodate for technology changes, and adopts a new rule valuation independence standards as required by the Truth in Lending Act (TILA) 15 U.S.C. Secs. 1601-1667.

Summary of all public comments received on this rule proposal and the agency's response to those comments:

Rel's Valuation's written response dated May 25, 2016 stated the following.

WAC 308-409-020(1)(b)(ii)

The language is not clear. It does not appear to state an AMC requirement, and its purpose and effect are not obvious. It also appears largely duplicative of the language found in WAC 308-409-020(1)(b)(i). We recommend deleting WAC 308-409-020(1)(b)(ii) in its entirety.

The Department agreed with this and deleted WAC 308-409-020(1)(b)(ii) in its entirety. This change was contained in the final language presented at the September 7, 2016 rules hearing.

WAC 308-409-020(1)(b)(iv)

This section begins with the phrase “When fingerprints are rejected.” We believe it should begin “If fingerprints are rejected.”

The Department agreed with this and changed “when” to “if” in WAC 308-409-020(1)(b)(iv) which was renumbered to WAC 308-409-020(c)(i). This change was contained in the final language presented at the September 7, 2016 rules hearing.

WAC 308-409-050

The first asterisk footnote to the table of fees in WAC 308-409-050 is confusing, and arguably suggests that the listed “Original licensure” and “renewal” fees include the required AMC registry fees. We cannot believe this is the intention of the Board.

The Department agreed and deleted the language pertaining to the ASC AMC National Registry fees from WAC 038-090-050 as premature while awaiting the conclusion of the final federal rule. This change was contained in the final language presented at the September 7, 2016 rules hearing.

WAC 308-409-090(2)

We recommend that the word “its” be deleted and the remainder of the TILA citation be provided.

The Department agreed with this suggestion and made the recommended changes to WAC 308-409-090(2) . This change was contained in the final language presented at the September 7, 2016 rules hearing.

WAC Changes: There are no differences between the text of the proposed rule as published in the register and the text of the rule as adopted.