



Ohio Revised Code Section 4768.01 Definitions.

Effective: December 14, 2018

Legislation: House Bill 213 - 132nd General Assembly

As used in this chapter:

(A) "Real estate appraisal" or "appraisal" means the act or process of developing an opinion of value of real property in conformity with the uniform standards of professional appraisal practice.

(B) "Appraisal management company" means any person authorized either by a creditor of a consumer credit transaction secured by a consumer's principal dwelling, or by an underwriter of or other principal in the secondary mortgage markets, that performs appraisal management services in connection with valuing properties collateralizing mortgage loans or valuing properties collateralizing mortgages incorporated in a securitization.

(C) "Appraisal management services" means to perform any of the following functions on behalf of a lender, financial institution, client, or any other person in conjunction with a consumer credit transaction that is secured by a consumer's primary dwelling:

(1) Administer an appraiser panel;

(2) Recruit, retain, or select appraisers;

(3) Qualify, verify licensure or certification, and negotiate fees and service level expectations with persons who are part of an appraiser panel;

(4) Contract with appraisers to perform appraisal assignments;

(5) Receive an order for an appraisal from one person and deliver the order for the appraisal to an appraiser who is part of an appraiser panel for completion;

(6) Manage the process of having an appraisal performed, including providing administrative duties,



such as receiving appraisal orders and reports, submitting completed appraisal reports to creditors and underwriters, collecting fees from creditors and underwriters for services provided, and reimbursing appraisers for services performed;

(7) Track and determine the status of orders for appraisals;

(8) Conduct quality control of a completed appraisal prior to the delivery of the appraisal to the person that ordered the appraisal;

(9) Provide a completed appraisal performed by an appraiser to one or more clients.

(D) "Appraisal report" means a written communication of a real estate appraisal or appraisal review or an oral communication of a real estate appraisal or appraisal review that is documented by a writing that supports the oral communication.

(E) "Appraisal review" means the act or process of developing and communicating an opinion about the quality of another appraiser's work that was performed as part of an appraisal or appraisal review. "Appraisal review" does not include an examination of an appraisal for grammatical errors, typographical errors, or completeness, provided the review for completeness does not require an opinion about the quality of the work of an appraiser. The real estate appraiser board may define, by rule, "review for completeness."

(F) "Appraisal services" or "real estate appraisal services" means a real estate appraisal or appraisal review.

(G) "Appraiser" means a person licensed or certified under Chapter 4763. of the Revised Code.

(H) "Appraiser panel" means a network of appraisers who are independent contractors to the appraisal management company and who have been approved by the appraisal management company, after responding to an invitation or request from the appraisal management company, to perform appraisals for any client of the appraisal management company or for the appraisal management company directly, on a periodic basis, as assigned by the appraisal management company.



(I) "Automated valuation model" means a computer software program that analyzes data using an automated process, such as regression, adaptive estimation, neural network, expert reasoning, or artificial intelligence programs, that produces an output that may become a basis for appraisal or appraisal review if the appraiser believes the output to be credible for use in a specific assignment.

(J) "Client" means any person that contracts with, or otherwise enters into an agreement with, an appraisal management company for residential or commercial real estate appraisal services.

(K) "Controlling person" means any of the following:

(1) An owner, officer, or director of a business entity seeking to offer appraisal management services in this state;

(2) An individual employed, appointed, or authorized by an appraisal management company, who has the authority to enter into contractual relationships with clients for the performance of appraisal management services and the authority to enter into agreements with appraisers for the performance of residential or commercial real estate appraisal services;

(3) An individual who possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of an appraisal management company.

(L) "Federally regulated appraisal management company" means an appraisal management company that is owned and controlled by an insured depository institution as defined in 12 U.S.C. 1813 or an insured credit union as defined in 12 U.S.C. 1752 and that is regulated by the office of the comptroller of the currency, the board of governors of the federal reserve system, the national credit union administration, or the federal deposit insurance corporation.

(M) "Owner" means a person who owns or controls ten per cent or more of an appraisal management company.

(N) "Person" means an individual, corporation, partnership, sole proprietorship, subsidiary, unit, or other business entity.



(O) "Real estate" has the same meaning as in section 4735.01 of the Revised Code.