AUTHENTICATED,
OHIO LEGISLATIVE SERVICE
COMMISSION
DOCUMENT #517846

Ohio Revised Code

Section 4768.11 Improper influence; prohibited acts.

Effective: December 14, 2018
Legislation: House Bill 213 - 132nd General Assembly

(A) No employee, director, officer, or agent of an appraisal management company licensed under this chapter shall recklessly 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 the following:

(1) Withholding or threatening to withhold timely payment for appraisal services rendered when the appraisal report or services rendered are provided in accordance with a contract between the parties;

(2) Withholding or threatening to withhold future business for an appraiser, or demoting or threatening to demote an appraiser, or terminating the relationship with or threatening to terminate the relationship with an appraiser;

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

(4) Conditioning the assignment of an appraisal or the payment of an appraisal fee, salary, or bonus, on the opinion, conclusion, or valuation to be reached by, or on a preliminary estimate or opinion requested from, an appraiser;

(5) Requesting 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;

(6) Providing to an appraiser an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that the employee, director, officer, or agent of an appraisal management company may provide the appraiser with a copy of the s ales contract for purchase transactions;

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

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

(9) Obtaining, using, or paying for a second or subsequent appraisal or ordering an automated valuation model in connection with a mortgage financing transaction, unless any of the following are true:

(a) There is a reasonable basis to believe that the initial appraisal was flawed or tainted and such basis is clearly and appropriately noted in the loan file.

(b) The appraisal or automated valuation model is done pursuant to a bona fide pre- or post-funding appraisal review or quality control process.

(c) A second appraisal is required under state or federal law.

(10) Allowing the removal of an appraiser from the appraisal management company's appraiser panel without prior written notice as required under section 4768.09 of the Revised Code;

(11) Requiring an appraiser to indemnify the appraisal management company against liability, damages, losses, or claims other than those liabilities, damages, losses, or claims arising out of the services performed by the appraiser, including performance or nonperformance of the appraiser's duties and obligation, whether as a result of negligence or willful m isconduct;

(12) Requiring an appraiser to perform an appraisal assignment if the appraiser declines the assignment and informs the appraisal management company that the appraiser is not competent to perform the appraisal assignment and the appraiser declines to acquire the necessary competency to perform the assignment;

(13) Requiring an appraiser who has notified the appraisal management company and declined the assignment to prepare an appraisal under a time frame that the appraiser, in the appraiser's own professional judgment, believes does not afford the appraiser the ability to meet all the relevant legal and professional obligations.

(B) Nothing in division (A) of this section shall be construed as prohibiting an appraisal management company from requesting that an appraiser do any of the following:

(1) Consider additional, appropriate property information, including the consideration of additional comparable properties, to make or support an appraisal;

(2) Provide further detail, substantiation, or explanation for the appraiser's value conclusion;

(3) Correct objective factual errors in an appraisal report.

(C) No appraisal management company shall recklessly alter, modify, or otherwise change a completed appraisal report submitted by an appraiser, except that the format of the appraisal report may be modified solely for the purpose of transmission.

AUTHENTICATED,
OHIO LEGISLATIVE SERVICE
COMMISSION
DOCUMENT #517846

(D) Each appraisal management company shall require that a ppraisals be conducted independently and free from inappropriate influence and coercion pursuant to the appraisal independence standards established under section 129e of the "Truth in Lending Act," 82 Stat. 146, 15 U.S.C. 1639e.