

**HOUSE BILL NO. 1166**  
**INDUSTRY, BUSINESS AND LABOR COMMITTEE**  
**Testimony**  
**Corey Kost, Vice Chair**  
**NORTH DAKOTA REAL ESTATE APPRAISER**  
**QUALIFICATIONS AND ETHICS BOARD**  
**January 25, 2021**

Mr. Chairman, members of the committee, my name is Corey Kost and I am Vice Chair of the North Dakota Real Estate Appraiser Qualifications and Ethics Board. I am also a practicing appraiser based in Bismarck. I am writing on behalf of the Appraiser Board to request that the Appraiser Board be exempt from its application. While the Board supports the Bill's overall intent, its application to the Appraiser Board would be problematic.

The Appraiser Board is unique in a number of ways. These unique characteristics are probably the reason the Appraiser Board was exempt from 43-51 in the first place. The Board's appraiser program and appraiser management company program are monitored at the federal level by the Appraisal Subcommittee (ASC). Statutes and rules that are consistent with ASC requirements for compliance with Title XI as amended by the Dodd-Frank Act must be in place or the State's program(s) will be determined to be non-compliant, meaning 1) the public will no longer be able to obtain an appraisal for a federally related transaction (FRT), 2) appraisers will no longer be able to complete appraisals for FRTs, and 3) lenders will no longer be able to use appraisal management companies to facilitate appraisals for FRTs.

As currently written, the Board has concerns that complying with the language in HB 1166 would jeopardize the programs' compliance with the federal law, as promulgated by the ASC. The Appraiser Board has already adopted a reciprocal license statute (NDCC

43-23.3-04.1) that is consistent with ASC requirements from which we cannot deviate while maintaining compliance. Reciprocity in North Dakota is open to either 1) a resident who is licensed or certified in good standing in another state, or 2) an out-of-state appraiser, licensed or certified in good standing in another state.

The statute differs from the language in HB 1166. Specifically, it requires that the credentialing requirements of the home state be substantially equivalent to North Dakota's licensure requirements, including that the individual has complied with the standards of professional appraisal practice and ethical rules. As written, this Bill would require the Board to issue a license to a foreign practitioner that has a license in *any* state, even if 1) that state does not have licensure requirements equivalent to North Dakota, 2) that state is not in compliance with Title XI as determined by the ASC, or 3) the applicant has had their license revoked in one or more other states.

In closing, the Appraiser Board requests exemption from this Bill in order to maintain our federal compliance.