

| AMC Committee Proposal | Staff Proposal |
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| <p>(e) In order to satisfy the requirements of §1104.155 of the AMC Act, this rule and USPAP, the review’s Scope should be sufficient to ensure that methods, assumptions, data sources, and conclusions are reasonable and appropriate.</p> | <p>(e) To comply with this section, a license holder performing an appraisal review must research and consult the appropriate data sources for the appraisal being reviewed to, at a minimum, validate the significant characteristics of the comparables and the essential elements of the transactions including:</p> <ul style="list-style-type: none"> (1) multiple listing service(s), published and market cost data sources, comparable rental data, income and expense data and other recognized data sources (as applicable) for the geographic area in which the appraisal under review was performed, and in accordance with recognized methods and techniques necessary to produce a credible appraisal; and (2) the sales and listing history of the property which is the subject of the appraisal under review, if that property was sold within the three years prior to the effective date of the appraisal under review or was listed for sale as of the effective date of the appraisal under review. |



**PROPOSED RULE ACTION FROM
NOVEMBER 20, 2015 MEETING OF
THE TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD
Chapter 159. Rules Relating to the Provisions of the Texas Appraisal Management Company
Registration and Regulation Act**

22 TAC §159.155. Periodic Review of Appraisals.

§159.155. Periodic Review of Appraisals.

(a) A license holder must review the work of appraisers performing appraisal services on 1-4 family unit properties collateralizing mortgage obligations by performing an appraisal[a] review in accordance with Standard 3 of USPAP of:

(1) one of the first five appraisals performed for the license holder by each appraiser, prior to making a sixth assignment; and

(2) a total of five percent, randomly selected, of the appraisals performed for the AMC for each twelve-month period following the date of the AMC's registration.

(b) Appraisal reviews[Appraisals] performed pursuant to subsection (a)(1) of this section will be counted toward the calculation of five percent for the purposes of subsection (a)(2) of this section.

(c) An appraisal[A] review pursuant to subsection (a)(1) of this section is not required if the first five appraisals by an appraiser were completed before the AMC was required by the AMC Act, to be registered with the Board.

~~[(d) In addition to satisfying the requirements of §1104.153 of the AMC Act, the review appraiser must have access to appropriate data sources for the appraisal being reviewed.]~~

~~(d)~~[(e)] A certified residential appraiser may perform a review of a residential real estate appraisal completed by a certified general appraiser if the review appraiser is otherwise permitted by the Texas Appraiser Licensing and Certification Act to perform the assignment.

~~[(f) An appraiser conducting a review under §1104.155 of the AMC Act and this rule must ensure compliance with the USPAP and with §1104.154 of the AMC Act.]~~

~~(e)~~[(g) In order to satisfy the requirements of §1104.155 of the AMC Act, this rule and USPAP,] To comply with this section, a license holder performing an appraisal[a] review must ~~adhere to the following minimum scope of work:~~
~~—(1)~~ research and consult the appropriate data sources for the appraisal being reviewed to, at a minimum, validate the significant characteristics of the comparables and the essential elements of the transactions including:

~~(1)~~[(A) the] multiple listing service(s), published and market cost data sources, comparable rental data, income and expense data and[(or)] other recognized ~~methods, techniques and~~ data sources (as applicable) for the geographic area in which the appraisal under review was performed, ~~if the appraisal under review included a sales comparison approach~~ and in accordance with recognized methods and techniques necessary to produce credible assignment results; and

~~(B) published cost data sources and other recognized methods, techniques and data sources for the geographic area in which the appraisal under review was performed, if the appraisal under review included a cost approach;~~

~~—(C) the comparable rental data, income and expense data, and other recognized methods, techniques and data sources for the geographic area in which the appraisal under review was performed;~~

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~~if the appraisal under review included an income approach; and]~~

~~(2)[(D)]~~ the sales and~~[or]~~ listing history of the property which is the subject of the appraisal under appraisal~~review~~, if that property was sold within the three years prior to the effective date of the appraisal under review or was listed for sale as of the effective date of the appraisal under review.];

~~–(2) state the reviewer's opinions and conclusions about the work under review for each of the approaches to value utilized in the appraisal under review, including the reason for any disagreements;~~

~~–(3) identify if the appraisal under review omitted an approach to value, a particular piece of information, or an analysis of either that was necessary for credible assignment results, identify what was omitted and explain why it was necessary for credible assignment results;~~

~~–(4) identify the client, any intended users and the effective date of the appraisal review;~~

~~–(5) state that the appraisal review's intended use and purpose is to satisfy the requirements of §1104.155 of the AMC Act and this rule, including ensuring that the appraisal under review complies with the USPAP edition in effect at the time of the appraisal;~~

~~–(6) state that the scope of work for the appraisal review is commensurate with the requirements of §1104.155 of the AMC Act, this rule and USPAP edition in effect at the time of the appraisal review and that the scope of work ensures the development of credible assignment results and that no assignment conditions impose limitations which make the results of the review not credible;~~

~~–(7) identify the appraisal under review, including:~~

~~(A) any ownership interest of the appraiser or reviewer in the property that is the subject of the appraisal under review;~~

~~—(B) the report date and effective date of the appraisal under review;~~

~~—(C) the effective date of the opinions or conclusions in the appraisal under review;~~

~~—(D) the physical, legal, and economic characteristics of the property, properties, property type(s), or market area in the appraisal under review; and~~

~~—(E) the name of all appraisers who signed or provided significant professional assistance in the appraisal under review;~~

~~–(8) state clearly and conspicuously, all extraordinary assumptions and hypothetical conditions and state that their use might have affected the review; and~~

~~–(9) contain a certification which complies with USPAP Standards Rule 3-6.]~~

(2) Comply with the requirements in Standard 3 of USPAP, including providing a signed certification.

(f)~~(h)~~ While not required by §1104.155 of the AMC Act or this section~~[rule]~~, if the reviewer elects to develop an opinion of value, review opinion, or real property appraisal consulting conclusion, the review must comply with the additional provisions of USPAP governing the development of an opinion of value, review opinion, or real property appraisal consulting conclusion.