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**TWENTY-NINTH LEGISLATURE**

**STATE OF HAWAII**

**OCTOBER 13, 2017**

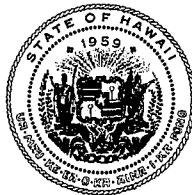
**REPORT TO THE LEGISLATURE**

**Pursuant to HRS §37-52.5**

**ADMINISTRATIVELY ESTABLISHED NEW ACCOUNT OR FUND**

**of the**

**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**



**Prepared by**

**Professional and Vocational Licensing Division**

**Department of Commerce and Consumer Affairs**

**State of Hawaii**

Section 37.52.5, Hawaii Revised Statutes ("HRS"), requires expending departments or agencies to submit a report to the Legislature of newly established accounts or funds, within thirty working days of its establishment. The report shall include: (1) The justification for the establishment of the account or fund; and (2) The sources of revenue for the fund.

**Name of newly established Fund: Appraisal Management Company Registry Fee**

Fund Type (MOF): T

Appropriation Symbol: T-18-930-R

Established effective date: October 4, 2017

Intended purpose: Pursuant to Act 118, SLH 2017, the Department of Commerce and Consumer Affairs ("DCCA") will commence regulating Appraisal Management Companies ("AMC") on January 1, 2018. Also, effective November 24, 2017, in compliance with 12 U.S.C. 3338(a)(4)(B), Section 1102.403(a) and (b), the State of Hawaii ("State") is also required to collect a registry fee of \$25 (variations are explained below in italics) and transmit it to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council on an annual basis. *In the case of an AMC that has been in existence for more than a year, \$25 multiplied by the number of appraisers who have performed an appraisal for the AMC on a covered transaction in such State during the previous year; and in the case of an AMC that has not been in existence for more than a year, \$25 multiplied by the number of appraisers who have performed an appraisal for the AMC on a covered transaction in such State since the AMC commenced doing business.*

Intended Program Activities: With respect to this fund, and in addition to any other powers and duties authorized by law, the Director of DCCA shall have the following powers and duties:

- (1) Review and approve or deny an appraisal management company's application for initial registration;
- (2) Renew or deny an appraisal management company's registration periodically;
- (3) Examine the books and records of an appraisal management company operating in the State and require the appraisal management company to submit reports, information, and documents;
- (4) Verify that the appraisers on the appraisal management company's appraiser panel hold valid state licenses or certifications, as applicable;
- (5) Conduct investigations of appraisal management companies to assess potential violations of applicable appraisal-related laws, regulations, or orders;
- (6) Discipline, suspend, terminate, or deny renewal of the registration of an appraisal management company that violates applicable appraisal-related laws, regulations, or orders;
- (7) Report an appraisal management company's violation of applicable appraisal-related law, regulations, or orders, as well as disciplinary and enforcement actions and other

relevant information about an appraisal management company's operations, to the Appraisal Subcommittee; and

- (8) Adopt, amend, and repeal rules, pursuant to chapter 91, as may be necessary to establish the appraisal management company registration program and implement, administer, and enforce this chapter.