§ 160-oooo. Unprofessional conduct. 1. Appraisal management companies shall not engage in unprofessional conduct including, but not limited to the following:

(a) Requiring an appraiser to modify any aspect of an appraisal report or valuation service report, unless such modifications are appropriate according to USPAP;

(b) Requiring an appraiser to prepare an appraisal report or valuation service report if such appraiser, in their professional judgment, believes they don't have the necessary expertise for the specific geographic and or specific area type;

(c) Requiring an appraiser to prepare an appraisal report or valuation service under a time frame that such appraiser believes, in their professional judgment, does not afford such appraiser the ability to meet all the relevant legal and professional obligations including USPAP requirements. Notwithstanding the foregoing provisions of this paragraph, all appraisal reports should be completed within a reasonable timeframe and appraisers may not unnecessarily delay completing appraisal assignments;

(d) Prohibiting or inhibiting communication between the appraiser and the lender, a real estate licensee, or any other person from whom such appraiser, in their professional judgment is relevant;

(e) Requiring the appraiser to do anything that does not comply with USPAP, or any assignment conditions and certifications required by the client;

(f) Making any portion of the appraiser's fee or the appraisal management company's fee contingent upon a favorable outcome, including, but not limited to, the closing of a loan, requiring a specific dollar amount be achieved by such appraiser in the appraisal report, making requests for the purpose of facilitating a mortgage loan transaction, setting a broker price opinion, or setting any other real property price or value estimation that does not qualify as an appraisal; or

(g) Each appraisal management company operating in this state shall make payment to an appraiser for the completion of an appraisal or valuation assignment within thirty days of the date on which such appraiser transmits or otherwise provides the completed appraisal or valuation services to the appraisal management company or its assignee;

2. It shall be unlawful for an appraisal management company to:

(a) Knowingly fail to compensate an appraiser at a rate that is reasonable and customary for appraisal or other valuation services being performed in the market area of the property being appraised without the services of an appraisal management company in a manner that is either inconsistent with, or would violate section 1639(e) of the federal Truth in Lending Act (15 USC §1639(e));

(b) Knowingly include any fees for appraisal management services that are performed by the appraisal management company for a lender, client, or other person in the amount that it charges the lender, client, or other person for the actual completion of an appraisal or valuation service by an appraiser that is part of the appraiser panel of the appraisal management company;

(c) Knowingly fail to separate any and all fees charged to a client by the appraisal management company for the actual completion of an appraisal by an appraiser from the fees charged to a lender, client, or any other person by an appraisal management company for appraisal management services;

(d) Knowingly prohibit an appraiser from recording the fee that such appraiser was paid by the appraisal management company for the performance of the appraisal within the appraisal report that is submitted by such appraiser to the appraisal management company;

(e) Knowingly fail to separately state the fees paid to an appraiser for appraisal services and the fees charged by the appraisal management company for services associated with the management of the appraisal process to the client, borrower and any other payer. Appraisal management companies shall provide a copy of the appraiser's invoice with a copy of any appraisal report submitted to a client or a client's representative;

(f) Knowingly allow the removal from rotation of an appraiser from an appraiser panel, without prior written notice to such appraiser with just cause; or

(g) Knowingly obtain, use, or pay for a second or subsequent appraisal or the ordering of an automated valuation model or any other valuation service in connection with a mortgage financing transaction unless 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, or unless such appraisal or automated valuation model is done pursuant to a bona fide pre- or post-funding appraisal review or quality control process. Nothing in this paragraph shall prohibit an AMC from obtaining additional appraisals if required by a lending program, or if such additional appraisals are required by applicable local, state, or federal law.