

SUBCHAPTER 57D – APPRAISAL MANAGEMENT COMPANIES

SECTION .0100 – APPLICATION FOR APPRAISAL MANAGEMENT REGISTRATION

21 NCAC 57D .0101 FORM

An appraisal management company that wishes to file an application for an appraisal management company certificate of registration may obtain the required form upon request to the Board or on the Board's website at www.ncappraisalboard.org. The appraisal management company shall submit an application to the Board by mail that includes the following information:

- (1) the legal name of the applicant;
- (2) the name under which the applicant will do business in North Carolina;
- (3) the type of business entity;
- (4) the address of its principal office;
- (5) the applicant's NC Secretary of State Identification Number if required to be registered with the Office of the NC Secretary of State;
- (6) a completed application for approval of the compliance manager, as set forth in G.S. 93E-2-5;
- (7) any past criminal conviction of and any pending criminal charge against the compliance manager and any person or entity that owns over 10 percent of the appraisal management company;
- (8) any past revocation, surrender in lieu of revocation, cancellation, refusal, or denial of an appraisal license of any person or entity that owns any part, directly or indirectly, of the appraisal management company;
- (9) any disciplinary action taken against the applicant, including the effective date of the disciplinary action and whether the applicant has complied;
- (10) other States where the applicant is registered to operate, if applicable;
- (11) applicant's employer identification number (EIN);
- (12) if a general partnership, a description of the applicant entity, including a copy of its written partnership agreement or, if no written agreement exists, a written description of the rights and duties of the several partners;
- (13) if a business entity other than a corporation, limited liability company, or partnership, a description of the organization of the applicant entity, including a copy of its organizational documents;
- (14) if a foreign business entity, a certificate of authority to transact business in North Carolina and an executed consent to service of process and pleadings;
- (15) a certification that the applicant has obtained a surety bond as required by G.S. 93E 2-4(g);
- (16) the name, address, and contact information for any individual or business entity that directly or indirectly owns over 10 percent of the appraisal management company; and
- (17) the annual size of the appraisal panel, in this state and nationwide, of the appraisal management company for the previous calendar year.

History Note: Authority G.S. 93E-2-4; 93E-2-5; 93E-2-8;
Eff. January 1, 2011;
Amended Eff. July 1, 2014;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017;
Amended Eff. August 1, 2024; May 1, 2020.

21 NCAC 57D .0102 FILING AND FEES

- (a) Each application for registration shall be accompanied by the required application fee. The Board shall reject and return to the applicant any application which is incomplete or not accompanied by the required fee or fees. Application fees accompanying complete applications are not refundable.
- (b) The application fee shall be thirty-five hundred dollars (\$3,500).
- (c) Payment of application fees shall be made by certified check, bank check or money order payable to the North Carolina Appraisal Board.
- (d) In the event that the Board asks an applicant to submit updated information or provide further information necessary to complete the application and the applicant fails to submit such information within 90 days following the Board's request, the Board shall cancel the applicant's application and the application fee shall be retained by the

Board. An applicant whose application has been cancelled and who wishes to obtain a registration must start the process over by filing a complete application with the Board and paying all required fees.

(e) An applicant may request that its application be withdrawn at any time before final action is taken by the Appraisal Board on the application. The application fee shall not be refunded.

History Note: Authority G.S. 93E-2-3; 93E-2-4; 93E-2-6;
Eff. January 1, 2011;
Amended Eff. January 1, 2013;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017.

SECTION .0200 – APPRAISAL MANAGEMENT COMPANY REGISTRATION

21 NCAC 57D .0201 FITNESS FOR REGISTRATION

(a) The Appraisal Board shall consider the fitness for registration of each applicant. When the fitness of an applicant is in question, action by the Board shall be deferred until the applicant has affirmatively demonstrated that the applicant possesses the requisite competency, truthfulness, honesty and integrity.

(b) When the application is deferred, the Board shall notify the applicant and the applicant shall be entitled to demonstrate his or her fitness for registration at a hearing before the Board.

(c) The inquiry into fitness for registration shall include consideration of whether the applicant has had any disciplinary action taken against any professional license in North Carolina or any other state, and whether the applicant has committed or done any act which would be grounds for disciplinary action including the suspension or revocation of registration, and whether the applicant has been convicted of or pleaded guilty to any criminal act, and whether any such actions or charges are pending.

(d) All applicants shall obtain a criminal records check pursuant to G.S. 93E-2-11. This records check must have been performed within 60 days of the date the completed application for registration is received by the Board. Applicants shall pay all required fees required to perform the check.

(e) Notice to the applicant that its competency or fitness for registration is in question shall be in writing, sent by certified mail, return receipt requested, to the address shown upon the application. The applicant has 60 days from the date of receipt of this notice to request a hearing before the Board. Failure to request a hearing within this time constitutes a waiver of the applicant's right to a hearing on its application for registration, and the application shall be deemed denied. Nothing in this Rule shall be interpreted to prevent an applicant from reapplying for registration.

(f) For the purposes of this Section, "applicant" shall mean any person owning 10 percent or more of the appraisal management company.

History Note: Authority G.S. 93E-2-3; 93E-2-4; 93E-2-11;
Eff. February 1, 2011;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017.

21 NCAC 57D .0202 REGISTRATION RENEWAL

(a) All registrations shall expire on June 30 of each year, unless renewed during the renewal period. The renewal period shall be from May 1 through June 30 of each year.

(b) A holder of an appraisal management company registration applying for renewal of registration shall apply in writing upon the form provided by the Board or log into the licensee login section on the Board's website and shall pay the renewal fee. The renewal fee shall be two-thousand dollars (\$2,000). The renewal fee is not refundable on or after July 1.

(c) The renewal form shall include the following:

- (1) The appraisal management company's name and registration number;
- (2) the contact person for renewal;
- (3) the updated address for the company, service of process agent, direct and indirect owners of more than 10 percent, and compliance manager, if applicable;
- (4) whether the company owner(s) or compliance manager, as set forth in G.S. 93E-2-5, have had an appraiser credential refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any state;
- (5) a copy of the surety bond that expires no sooner than June 30th of the year following renewal;

- (6) the signature of the applicant; and
 - (7) the operation type, total number of appraisers on the panel in North Carolina for the previous calendar year, the total number of appraisers on the panel nationwide for the previous calendar year, and the number of appraisers on the panel who performed one or more appraisals in connection with a covered transaction in North Carolina for the previous calendar year.
- (d) In addition to the renewal fee, an appraisal management company shall submit with its renewal the annual appraisal management company registry fee required by the Appraisal Subcommittee pursuant to 12 C.F.R. 1102.402. The fee shall then be transmitted by the Board to the Appraisal Subcommittee.
- (e) Any company who acts or holds itself out as a registered appraisal management company while its appraisal management company registration is expired shall be subject to disciplinary action and penalties in G.S. 93E-2-8 and G.S. 93E-2-10.

History Note: Authority G.S. 93E-2-3; 93E-2-4; 93E-2-5; 93E-2-6; 93E-2-8; 93E-2-10;
Eff. January 1, 2011;
Amended Eff. July 1, 2014;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017;
Amended Eff. August 1, 2024; July 1, 2022; July 1, 2018.

21 NCAC 57D .0203 EXPIRED REGISTRATION

- (a) Expired registrations may be reinstated within six months after expiration upon proper application and payment to the Board of the renewal fee of two thousand dollars (\$2,000) and the late filing fee of twenty dollars (\$20.00) for each month or part thereof that the registration is lapsed, not to exceed one hundred twenty dollars (\$120.00).
- (b) Reinstatement is not retroactive.

History Note: Authority G.S. 93E-2-3; 93E-2-6;
Eff. January 1, 2011;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017.

21 NCAC 57D .0204 PAYMENT OF FEES TO THE BOARD

Checks given the Board in payment of fees that are returned unpaid are cause for registration denial, suspension or revocation.

History Note: Authority G.S. 93E-2-3; 93E-2-8(a)(7);
Eff. January 1, 2011;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017.

SECTION .0300 – APPRAISAL MANAGEMENT COMPANY PROCEDURES

21 NCAC 57D .0301 USE OF REGISTRATION NUMBER

A real estate appraisal management company shall state its North Carolina registration number on any appraisal order for a property located in North Carolina.

History Note: Authority G.S. 93E-2-3;
Eff. January 1, 2011;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017.

21 NCAC 57D .0302 CHANGE IN REGISTRATION & REPORTING REQUIREMENTS

- (a) Appraisal management companies shall notify the Board in writing of each change of name, trade name, federal identification number, organizational status, ownership structure, compliance manager, surety bond, registered agent, business address, telephone number, or email address within 10 business days of said change. The business address and email address provided shall enable the Board to electronically correspond with and physically locate the appraisal management company.

(b) If an appraisal management company intends to change its designated compliance manager or direct or indirect owner, it must notify the Board at least 10 business days before the effective date of the intended change and submit an application for approval of the designated compliance manager or any new direct or indirect owner who will own more than ten percent of the appraisal management company. The application shall include a criminal records check pursuant to G.S. 93E-2-11.

(c) If the appraisal management company has an unexpected change to its designated compliance manager or direct or indirect owner and is unable to provide at least 10 business days' notice of the change, the company shall have 10 business days from the unexpected change to notify the Board. An unexpected change shall consist of: death, sudden termination or resignation, injury, or illness. An application shall be submitted to the Board, which shall include a criminal records check pursuant to G.S. 93E-2-11, within 15 business days of when an interim designated compliance manager, a new designated compliance manager, or any new direct or indirect owner that owns more than ten percent of the appraisal management company as a result of the unexpected change, is appointed, hired, or otherwise determined.

(d) Appraisal management companies shall notify the Board in writing within 10 business days of any event that may cause the applicant or registration to be disciplined in accordance with G.S. 93E-2-8(a).

History Note: Authority G.S. 93E-2-3; 93E-2-4; 93E-2-5; 93E-2-8; 93E-2-9;
Eff. January 1, 2011;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017;
Amended Eff. August 1, 2024.

21 NCAC 57D .0303 COMPLIANCE MANAGER

(a) A compliance manager shall be designated with the Board for each appraisal management company. The compliance manager shall be a certified real estate appraiser certified under G.S. 93E, Article I or in another state.

(b) An appraisal management company shall file an application with the Board for approval of the designated compliance manager. This application shall provide the Board with the compliance manager's name, mailing and physical address, and phone and email contact information, and shall be signed by the designated compliance manager. The application may be accessed at the Board's website at www.ncappraisalboard.org.

(c) The designated compliance manager shall obtain a criminal records check pursuant to 93E-2-11. Applicants shall pay all required fees to perform the check. This records check shall have been performed within 60 days of the date the completed application is received by the Board. The criminal records check results must be attached to the application for approval as a compliance manager.

(d) The designated compliance manager is responsible for:

- (1) notifying the Board of any change of trade name or contact information of the appraisal management company and the registration of any assumed business name adopted by the appraisal management company for its use;
- (2) the retention and maintenance of records relating to appraisals conducted by or on behalf of the appraisal management company;
- (3) the maintenance of a record of all appraisers in North Carolina who perform appraisals for the appraisal management company, including a log of payments to appraisers; and
- (4) the conduct of advertising of appraisal management services by or in the name of the appraisal management company.

(e) If an appraisal management company intends to change its compliance manager, it must submit an application for approval of the new compliance manager at least 10 business days before the effective date of the change.

(f) If a compliance manager leaves the appraisal management company and the company is unable to give at least 10 days' notice of the change, the company shall have 15 business days from the date the compliance manager leaves to obtain a new compliance manager.

History Note: Authority G.S. 93E-2-3; 93E-2-4(b); 93E-2-5;
Eff. January 1, 2011;
Amended Eff. July 1, 2014;
Readopted Eff. July 1, 2018.

21 NCAC 57D .0304 APPRAISER QUALIFICATIONS

An appraisal management company shall assure that any appraiser being added to its appraiser panel to appraise properties in North Carolina holds a license in good standing in this State pursuant to the North Carolina Appraisers Act. The appraisal management company shall verify the status of the appraiser by contacting the North Carolina Appraisal Board or by utilizing the National Registry of the Appraisal Subcommittee.

*History Note: Authority G.S. 93E-2-3; 93E-2-4(f);
Eff. January 1, 2011;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017.*

21 NCAC 57D .0305 APPRAISER COMPETENCY

Before an appraiser is added to a panel, an appraisal management company shall require the appraiser to declare in writing the appraiser's areas of geographic competency, the types of properties the appraiser is competent to appraise, and the methodologies the appraiser is competent to perform. The appraisal management company shall require the appraiser to update this information at least annually, and shall keep copies of all such declarations for a period of five years from the date they are submitted.

*History Note: Authority G.S. 93E-2-3; 93E-2-4(b);
Eff. January 1, 2011;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017.*

21 NCAC 57D .0306 APPRAISAL REVIEW

An appraisal management company shall review the work of all independent appraisers that are performing real estate appraisal services for the appraisal management company to validate that the real estate appraisal services are being conducted in accordance with USPAP. An appraisal management company is not required to review all appraisals performed by each appraiser, but may chose a representative sample of each appraiser's reports. An appraisal management company must review each appraiser's work at least once a year, and shall keep records of such reviews for a period of five years from the date they are done.

*History Note: Authority G.S. 93E-2-3; 93E-2-4(b); 93E-2-9;
Eff. January 1, 2011;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017.*

21 NCAC 57D .0307 RECORDS

(a) An appraisal management company shall maintain a record of each request it receives for its services in North Carolina. If an appraisal is ordered, the record shall include the name of the appraiser who performs the appraisal, the physical address or legal identification of the subject property, the name of the appraisal management company's client for the appraisal, and the amount paid to the appraiser.

(b) The Board shall maintain a list of all applicants for registration under this Article that includes for each applicant the date of application, the name and primary business location of the applicant, phone and email contact information, and whether the registration was granted or refused.

(c) A registered appraisal management company shall maintain the accounts, correspondence, memoranda, papers, books, and other records related to services provided by the appraisal management company. Such records may be maintained in electronic form. All records shall be preserved for five years.

(d) If the information contained in any document filed with the Board is or becomes inaccurate or incomplete in any material respect, the appraisal management company shall file a correcting amendment to the information contained in the document to the Board within 10 days of the change.

*History Note: Authority G.S. 93E-2-3; 93E-2-9;
Eff. January 1, 2011;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017.*

21 NCAC 57D .0308 PRODUCTION OF RECORDS

If an appraisal management company is requested to produce books and records to the Appraisal Board pursuant to G.S. 93E-2-8(g) or 93E-2-8(i), the appraisal management company shall produce those records so that they may be viewed in the Appraisal Board's office in Raleigh, North Carolina. Books and records shall be produced in writing, by computer disc or by electronic delivery. If the appraisal management company is unable to comply, the company shall pay all costs associated with viewing the records in another location.

History Note: Authority G.S. 93E-2-3; 93E-2-8;
Eff. January 1, 2011;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017.

21 NCAC 57D .0309 COMPLAINTS AGAINST APPRAISERS

(a) If an appraisal management company believes that a real estate appraiser licensed in this State has violated applicable law or the Uniform Standards of Professional Appraisal Practice or has engaged in unethical conduct, it shall file a complaint with the Board. If the complaint relates to an appraisal, it shall be filed within 90 days of the date the appraisal is submitted to the appraisal management company. The complaint form may be found on the Board's website at www.ncappraisalboard.org.

(b) The complaint shall state the name and contact information for the person at the appraisal management company who should be contacted during the investigation into the complaint. This person shall have knowledge of the basis for the complaint and shall be able to produce records required by the investigation.

History Note: Authority G.S. 93E-2-3; 93E-2-4(c);
Eff. January 1, 2011;
Amended Eff. July 1, 2016;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017.

21 NCAC 57D .0310 PAYMENT OF FEES TO APPRAISERS

(a) Appraisal management companies shall pay fees to an appraiser within 30 days of the date the appraisal is first transmitted by the real estate appraiser to the company as follows:

- (1) If payment is made by electronic means, the funds for the fee shall be deposited into the appraiser's account so that they are available to the appraiser on the 31st day following the date the appraisal is first transmitted to the company.
- (2) If payment is made by check, the check shall be postmarked no later than the 30th day following the date the appraisal is first transmitted to the company.

(b) If an appraisal management company decides that it will not pay a fee to an appraiser for an appraisal, the appraisal management company shall notify the appraiser in writing of the reason for nonpayment. Such notice shall be sent to the appraiser within 30 days after the date the appraiser first transmits the appraisal to the appraisal management company by any established method that provides proof of delivery, including registered mail, return receipt requested. The notice shall state the address of the subject property of the appraisal, the name of the appraiser(s) signing the report, and the reason why the fee shall not be paid. The notice shall also notify the appraiser of any dispute resolution process that the appraisal management company may have in place.

History Note: Authority G.S. 93E-2-3; 93E-2-4(d);
Eff. January 1, 2011;
Amended Eff. July 1, 2014;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017.

21 NCAC 57D .0311 REMOVAL OF AN APPRAISER FROM AN APPRAISAL PANEL

(a) If an appraisal management company decides to remove an independent appraiser from its list of qualified appraisers, the appraisal management company shall notify the appraiser in writing of the reason for removal.

(b) Such notice shall be sent to the appraiser by any method that provides proof of delivery, including registered mail, return receipt requested.

- (c) If applicable, the notice shall include a description of the appraiser's illegal conduct, substandard performance, or otherwise improper or unprofessional behavior, or of any violation of the Uniform Standards of Professional Appraisal Practice or State licensing standards.
- (d) The appraisal management company shall also notify the appraiser of any dispute resolution process that it may have in place through which the appraiser may dispute the removal.
- (e) An appraisal management company shall not remove an appraiser from its panel in retaliation for the appraiser filing a complaint with the Board against the company.

History Note: Authority G.S. 93E-2-3; 93E-2-7(a);
Eff. January 1, 2011;
Amended Eff. January 1, 2013;
Readopted Eff. July 1, 2018.

21 NCAC 57D .0312 REQUESTING ADDITIONAL INFORMATION FROM AN APPRAISER

An appraisal management company may request that a real estate appraiser who performs an appraisal for the appraisal management company provide additional information as follows:

- (1) An appraisal management company may request that the appraiser consider additional appropriate property information including relevant sales data and property characteristics. Such request shall be made within 30 days of the date the appraisal is first transmitted by the appraiser to the appraisal management company.
- (2) An appraisal management company may request that the appraiser provide further detail, substantiation, or explanation for the appraiser's value conclusion, or to correct errors in an appraisal report. There is no time limit on such requests.
- (3) Any request under this Rule shall be sent to the appraiser in writing or by electronic means.

History Note: Authority G.S. 93E-2-3; 93E-2-7;
Eff. January 1, 2011;
Amended Eff. January 1, 2013;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017.

SECTION .0400 – APPRAISAL MANAGEMENT COMPANY GENERAL PRACTICES

21 NCAC 57D .0401 BUSINESS PRACTICES

An appraisal management company may not:

- (1) prohibit an appraiser from stating on an appraisal the fee the appraiser was paid by the company for the appraisal;
- (2) prohibit an appraiser from stating on an appraisal the appraiser's primary business address; or
- (3) prohibit an appraiser from informing a property owner, lender, or any other person or entity the appraiser's primary business address.

History Note: Authority G.S. 93E-2-3; 93E-7;
Eff. January 1, 2011;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 3, 2017.

21 NCAC 57D .0402 RESERVED FOR FUTURE CODIFICATION

21 NCAC 57D .0403 CRIMINAL BACKGROUND CHECKS

- (a) A criminal background check for the purpose of this Rule shall meet the requirements of 21 NCAC 57A .0202(e).
- (b) If an appraisal management company requests a background check from an appraiser and that appraiser has had a criminal background check performed within the preceding twelve months, it shall be the responsibility of the appraiser to provide a complete copy of that background check to the appraisal management company.
- (c) If an appraisal management company's client requires a background check that is more comprehensive than the one required under G.S. 93E-1-6(c1) and codified in 21 NCAC 57A .0202(e), nothing in this Rule prohibits the

client from obtaining that background check as long as the appraiser is not required to pay for that background check.

(d) An appraisal management company may obtain more than one background check on an appraiser in a 12 month period as long as the appraiser is not required to pay for that additional background check.

(e) An appraiser who alters, amends, or otherwise changes the results of a criminal background check submitted to an appraisal management company or a lender or who knowingly submits a background check that has been altered shall be subject to discipline pursuant to G.S. 93E-1-12.

History Note: Authority G.S. 93E-2-3; 93E-2-4(h);
Eff. July 1, 2016.