

Louisiana Real Estate Appraisers Board Resolves AMC Complaint

Baton Rouge, LA - - On June 4, 2015, the Louisiana Real Estate Appraisers Board (LREAB) approved entering into a "Stipulations and Order" with Coester VMS Appraisal Management Group. The Order will resolve a pending complaint that alleged that Coester violated Louisiana law that requires AMCs operating in the state to "compensate appraisers at a rate that is customary and reasonable for appraisals being performed in the market area of the property being appraised, consistent with the presumptions of compliance under federal law" (La.R.S. § 3415.15, La. Admin Code. tit. 46, pt. LXVII, § 31101). The case had been scheduled for an adjudicatory hearing before the LREAB on June 4.

In its complaint, the LREAB alleged that Coester did not utilize an objective, third-party fee study to establish their reasonable and customary fees, nor did they review the specific parameters of each assignment (property, scope of work, timeframe, appraiser qualifications, appraiser experience and professional record, an work quality) to ensure that the amount of compensation paid to the appraiser was reasonable (La. Admin Code. tit. 46, pt. LXVII, § 31101 (A)(1) and (3)).

In the Stipulations and Order, Coester agreed not to contest the Complaint brought by the LREAB. In addition, Coester agreed to:

Follow the current Louisiana fee schedule for a period of 12 months beginning 30 days after the effective date of the Order;

Submit a quarterly report to the Board for a period of 12 months beginning 60 days after the end of the quarter beginning July 1, 2015 that lists all appraisal orders made in Louisiana, the fee paid to the appraiser and the date payment was made; and

Pay administrative costs of \$5,000.

In response to the resolution of this case, Joseph Mier, SRA, AI-RRS, RAA, President of the Louisiana Real Estate Appraisers Coalition, stated that, "This is an important recognition that violators of the law will be held accountable for practices that are not permitted by Louisiana law. This is a step in the right direction for transparency for consumers and for the health of the appraisal industry going forward. Working together with Louisiana appraisers, the Louisiana Chapter of the Appraisal Institute and the national Appraisal Institute, we hope that this will help to advance transparency for the appraisal industry in the future. Appraisers are reminded to report any violations of the current AMC laws and rules to the LREAB so that the law is adhered to fairly across the board for everyone."