

OCCUPATIONAL CODE (EXCERPT)
Act 299 of 1980

339.2635 Prohibited conduct; penalties; complaint.

Sec. 2635.

(1) Except as otherwise provided in subsection (2), a licensee who does 1 or more of the following is subject to the penalties set forth in article 6:

(a) Violates any of the standards for the development and communication of real property appraisals as provided in this article or a rule promulgated under this article.

(b) Fails or refuses without good cause to exercise reasonable diligence in developing or communicating an appraisal.

(c) Demonstrates incompetence in developing or communicating an appraisal.

(d) Fails to make available to the department on request or fails to maintain books and records required under this article.

(e) Performs, attempts to perform, or offers to perform appraisal services for which the individual is not licensed under this article.

(f) Aids or abets another to commit a violation of this act or the rules promulgated under this act.

(g) Uses the license of another individual or knowingly allows another individual to use his or her license.

(h) If a limited real estate appraiser fails to disclose to the client, before making an appraisal, that the licensee's appraisal cannot be used in a federally related transaction.

(i) Develops and communicates, in violation of the standards adopted under this article, an appraisal used as an investment or as collateral for a loan in a real-estate-related financial transaction by developing and communicating that appraisal as a result of the client's or intended user's doing either or both of the following:

(i) Setting preconditions on the outcome of the appraisal as a prerequisite for being selected to develop and communicate an appraisal or for obtaining future appraisal work. As used in this subparagraph, "setting preconditions on the outcome of an appraisal" does not include the communication of information, including documents related to the property being appraised, necessary to identify the valuation problem to be solved and the scope of work necessary to determine credible assignment results.

(ii) Representing or implying that payment for the development and communication of the appraisal is predicated on attaining a desired minimum appraised value.

(2) An individual licensed under this article who violates subsection (1)(i) is guilty of a misdemeanor punishable by a fine of not more than \$15,000.00 or imprisonment for not more than 1 year, or both.

(3) A complaint under article 5 that seeks a penalty for a violation of this section must be filed within 18 months after 1 of the following dates, whichever occurs later:

(a) The date of the alleged violation.

(b) If the alleged violation occurs in connection with the performance of an appraisal, the delivery of the appraisal to the client.

(c) If the alleged violation occurs in connection with an appraisal or appraisal review performed in the capacity of an expert witness, the delivery of the appraisal or appraisal review to the opposing party.

History: Add. 1990, Act 269, Eff. July 1, 1991 ;-- Am. 1999, Act 170, Imd. Eff. Nov. 10, 1999 ;-- Am. 2006, Act 414, Imd. Eff. Sept. 29, 2006 ;-- Am. 2008, Act 531, Imd. Eff. Jan. 13, 2009 ;-- Am. 2018, Act 157, Eff. Aug. 21, 2018

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