

*** DRAFT - NOT YET FILED ***

TO BE RESCINDED

1301:8-7-23

Mortgage broker appraisal misconduct.

- (A) Division (G) of section 1322.07 of the Revised Code states that no mortgage broker, registrant, licensee, or applicant shall knowingly compensate, instruct, induce, coerce, or intimidate, or attempt to compensate, instruct, induce, coerce, or intimidate a person licensed or certified under Chapter 4763. of the Revised Code for the purpose of corrupting or improperly influencing the independent judgment of the person with respect to the value of the dwelling offered as security for repayment of a mortgage loan.
- (B) Without limiting the scope or applicability to other acts or practices that may violate division (G) of section 1322.07 of the Revised Code a person is attempting to instruct or induce "a person licensed or certified under Chapter 4763. of the Revised Code for the purpose of corrupting or improperly influencing the independent judgment of the person with respect to the value of the dwelling offered as security for repayment of a mortgage loan" if:
- (1) In the case of any refinance loan or non-purchase second mortgage loan, a registrant, licensee, mortgage broker employee, or person acting at their direction identifies on the appraisal order form or communicates by any other means to any person licensed or certified under Chapter 4763. of the Revised Code either the loan amount or any other express or implied statement of the anticipated or desired appraisal value. A refinance loan for purposes of this rule provision includes any subsequent first mortgage loan on the borrower's primary residence or other property subject to coverage pursuant to division (A) of section 1322.01 of the Revised Code; or
 - (2) In the case of any purchase money mortgage loan including any second mortgage loan connected to a sale transaction, a registrant, licensee, mortgage broker employee, or person acting at their direction, except as set forth herein, identifies on the appraisal order form or communicates by any other means to any person licensed or certified under Chapter 4763. of the Revised Code either the loan amount of any other express or implied statement of the anticipated or desired appraisal value. This prohibition does not preclude the sales price of the property from being disclosed or providing a copy of the sales agreement to a person licensed or certified under Chapter 4763. of the Revised Code.

If the registrant or licensee, however, is aware that a previous sales agreement at a lower price within the previous thirty days between the buyer and seller had been made for the property, the appraiser must be apprised of the earlier

agreement and provided a copy of the agreement which shall be appended to any appraisal the registrant or licensee provides to the lender or anticipated purchaser of the note

(C) Nothing herein shall prevent a registrant, its employees or agents from:

- (1) Requesting in writing or by electronic transmittal that the appraiser who prepared the appraisal report consider additional appropriate information when acting upon a good faith belief that the appraisal contains an error or is professionally deficient. Any appraisal review or revision request cannot be based on the grounds that the valuation is not high enough to qualify the buyer for the proposed loan; or
- (2) Communicating information to an appraiser required by state or federal law, or by the "Uniform Standards of Professional Appraisal Practice," as in effect on January 1, 2007, as promulgated by the "Appraisal Standards Board of the Appraisal Foundation," including, without limitation, a copy of a previously completed appraisal report provided to a person licensed or certified under Chapter 4763. of the Revised Code for the purpose of an appraisal review.

Effective:

Five Year Review (FYR) Dates:

Certification

Date

Promulgated Under:	119.03
Statutory Authority:	1322.12
Rule Amplifies:	1322.01, 1322.07
Prior Effective Dates:	6/1/2007