

SUBSTITUTE FOR  
HOUSE BILL NO. 6434

A bill to amend 1980 PA 299, entitled  
"Occupational code,"  
by amending section 2635 (MCL 339.2635), as amended by 1999 PA 170.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 2635. (1) ~~A~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION**  
2 **(2), A** licensee who does 1 or more of the following shall be  
3 subject to the penalties set forth in article 6:

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

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

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

1 (d) Fails to make available to the department upon request  
2 books and records required to be kept under this article.

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

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

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

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

14 (I) DEVELOPS AND COMMUNICATES, IN VIOLATION OF THE STANDARDS  
15 ADOPTED UNDER THIS ARTICLE, AN APPRAISAL USED AS AN INVESTMENT OR  
16 AS COLLATERAL FOR A LOAN IN A REAL-ESTATE-RELATED FINANCIAL  
17 TRANSACTION BY DEVELOPING AND COMMUNICATING THAT APPRAISAL AS A  
18 RESULT OF THE CLIENT'S OR INTENDED USER'S DOING EITHER OR BOTH OF  
19 THE FOLLOWING:

20 (i) SETTING PRECONDITIONS ON THE OUTCOME OF THE APPRAISAL AS A  
21 PREREQUISITE FOR BEING SELECTED TO DEVELOP AND COMMUNICATE AN  
22 APPRAISAL OR FOR OBTAINING FUTURE APPRAISAL WORK.

23 (ii) REPRESENTING OR IMPLYING THAT PAYMENT FOR THE DEVELOPMENT  
24 AND COMMUNICATION OF THE APPRAISAL IS PREDICATED UPON ATTAINING A  
25 DESIRED MINIMUM APPRAISED VALUE.

26 (2) A PERSON LICENSED UNDER THIS ARTICLE WHO VIOLATES  
27 SUBSECTION (1)(I) IS GUILTY OF A MISDEMEANOR PUNISHABLE BY A FINE

1 OF NOT MORE THAN \$5,000.00 OR IMPRISONMENT FOR NOT MORE THAN 3  
2 YEARS, OR BOTH.