82C.17 REASONABLE AND CUSTOMARY FEES.

Subdivision 1. **Fees.** An appraisal management company shall compensate appraisers with fees that are reasonable and customary for appraisal services performed in the market area of the property being appraised.

Subd. 2. **Evidence.** (a) An appraisal management company can evidence that the fees paid to an appraiser were reasonable and customary through:

(1) objective third-party information, including, but not limited to, government agency fee schedules or academic studies. An academic study used must exclude appraisal assignments ordered by an appraisal management company; or

(2) reviewing each of the following factors and making adjustments to recent fees paid for appraisal services performed in the market area:

(i) the type of property appraised;

(ii) the scope of the appraisal work;

(iii) the time in which the appraisal service must be performed;

(iv) appraiser qualifications;

(v) appraiser experience and professional record; and

(vi) appraiser work quality.

(b) The fees paid for a complex appraisal assignment shall reflect the increased time, difficulty, and scope of work required.

(c) An appraisal management company shall maintain written documentation describing and substantiating all methods and information used to determine the customary and reasonable fees required by this section.

Subd. 3. **Reporting.** (a) An appraisal management company shall separately state to the client the following:

(1) the fees paid to an appraiser for appraisal services; and

(2) the fees charged by the appraisal management company for services associated with the management of the appraisal process, including procurement of the appraiser's services.

(b) An appraisal management company shall not prohibit an appraiser who is part of an appraiser panel from recording the fee that the appraiser was paid by the appraisal management company for the appraisal within the appraisal report that is submitted by the appraiser to the appraisal management company.

(c) An appraisal management company shall not include fees for appraisal management services performed by the company in the amount the company reports as charges for the appraisal by the appraiser.

Subd. 4. **Timely payment.** Except in the case of breach of contract or an appraisal that contains one or more documented errors of law, regulation, appraisal standards, or reasonable requirements of the appraisal management company that have not been corrected by an appraiser, an appraisal management company shall pay an independent contractor appraiser for the completion of an appraisal or appraisal review:

(1) within 30 days of the appraiser providing the appraisal report to the appraisal management company or within 30 days of the date the appraisal report is transmitted to the client by an appraisal management company, whichever is sooner; or

(2) in accordance with a payment schedule agreed to in writing by the appraiser and the appraisal management company.

History: *2016 c 156 s 8; 2022 c 87 s 4*