

SESSION OF 2007

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2111**

As Agreed to April 3, 2007

Brief*

HB 2111 would amend a statutory provision that restricts what real estate loan information could be disclosed by a lender to an appraiser. The amendment would clarify that a lender may not disclose the amount of a proposed real estate loan with the intent to influence the preferred or required value of any real estate to secure such loan. The bill would permit lenders to provide a copy of the sales contract for use by the appraiser in accordance with the Uniform Standards of Professional Appraisal Practice. The bill also would amend the law to correct a statutory reference for the definition of "lender."

The bill also would amend KSA 2006 Supp. 79-2401a to authorize counties to permit cities to make repairs to unoccupied, residential real estate being sold for delinquent taxes, special assessments, or both, to bring the property into compliance with housing code standards during the redemption period.

Conference Committee Action

The Conference Committee agreed to the Senate amendments to the bill and agreed to further amend the bill to delete the provision relating to the collection of and certain exemptions for mortgage registration fees. Additionally, the Conference Committee agreed to amend the bill to include a provision relating to the sale of abandoned buildings and

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structures (originally in Sec. 3, SB 319 as introduced). The Conference Committee action, in effect, removes the provisions of SB 73 (amended into HB 2111 by the Senate Committee of the Whole). The technical correction recommended by the Senate Committee remains and a new provision is added.

Background

HB 2111 was requested by the Kansas Bankers Association whose representative indicated that after the passage of 2006 HB 2735, a number of interested parties contacted the Association as to whether a lender may still provide a copy of the sales contract to an appraiser. The Association requested a bill introduction to clarify this issue and to add language to strengthen anti-collusion language in the law. The bill was supported by the Kansas Association of Realtors whose representative indicated that the bill would allow appraisers to conduct appraisals in compliance with state law and the Uniform Standards of Professional Appraisal Rules. The bill also was supported by the Kansas Credit Union Association.

The introduced version of the bill was opposed by the Kansas Association of Mortgage Brokers whose representative testified that the proposed language would prevent lenders from providing a copy of the sales contract to the appraiser, as all standard contracts address the proposed real estate loan.

The House Committee on Insurance and Financial Institutions amendment removes the requirement that lenders, when providing a sales contract for use by an appraiser, not disclose the amount of the proposed real estate loan.

The Senate Committee on Financial Institutions and Insurance amendment makes a technical correction to name the Uniform Standards cited in the bill.

The Senate Committee of the Whole amendment clarifies a law governing the collection of mortgage registration fees to

allow that a new registration fee could be charged, if the previously recorded mortgage is released prior to the filing of the new mortgage (incorporating the language of 2007 SB 73, as recommended by the Senate Judiciary Committee).

The fiscal note prepared by the Division of the Budget on the original bill indicates that, according to both the Kansas Real Estate Commission and the Real Estate Appraisal Board, passage of the bill would not have a fiscal effect.

loan disclosure; abandoned buildings

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