

AMC Surety Bond

In 2013, the North Carolina General Assembly amended N.C.G.S. 93E-2-4 to require that appraisal management companies post a \$25,000 bond. The law is effective January 1, 2014.

The law states:

(g) Each applicant for registration or for a renewal of a registration shall post with the Board and maintain a surety bond in the amount of twenty-five thousand dollars (\$25,000).

(1) The bond shall be in a form satisfactory to the Board.

(2) The bond will accrue to the Board for the benefit of a claimant against the registrant to secure the faithful performance of the registrant's obligations under this Article and to a real estate appraiser who has performed an appraisal for the registrant for which the appraiser has not been paid.

(3) The aggregate liability of the surety shall not exceed the principal sum of the bond.

(4) A party having a claim against the registrant may bring suit directly on the surety bond, or the Board may bring suit on behalf of the party having a claim against the registrant, either in one action or in successive actions.

(5) A claim reducing the face amount of the bond shall be annually restored upon renewal of the registrant's registration.

(6) The bond shall remain in effect until cancellation, which may occur only after 90 days written notice to the Board. Cancellation shall not affect any liability incurred or accrued during that period.

(7) The surety bond shall remain in place for no less than two years after the registrant ceases operations in this State. However, notwithstanding this provision, the Board may permit the surety bond to be reduced or eliminated prior to that time to the extent that the amount of the registrant's outstanding obligations to appraisers is reduced.

The North Carolina Appraisal Board will post the bond forms on its website in early 2014. An AMC may obtain a bond at that time, but one will not be required until renewal in 2014.

Please direct any questions to Roberta@ncab.org