

HOUSE BILL No. 2236

By Committee on Financial Institutions and Rural Development

2-4

1 AN ACT concerning financial institutions; relating to appraisals; sales
2 comparison approach; unique residential real property in rural counties.

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4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. (a) In developing an appraisal of residential real property
6 identified as unique in style or square footage, or both, located in a rural
7 county for the purpose of a mortgage finance transaction, if the sales
8 comparison approach cannot be developed for a credible opinion or
9 indication of value due to a lack of available comparable sales within 30
10 miles, the appraiser may perform the appraisal without completing the
11 sales comparison approach to value. In the appraisal report, the appraiser
12 shall provide an explanation of the reasons for exclusion of the sales
13 comparison approach and document efforts to obtain comparable sales or
14 market data. A financial institution shall not decline to proceed with a
15 mortgage finance transaction due to the exclusion of the sales comparison
16 approach in accordance with this section.

17 (b) As used in this section:

18 (1) "Financial institution" means a bank, national banking
19 association, savings and loan association, savings bank, trust company,
20 credit union, finance company or other lending institution; and

21 (2) "rural county" means any county in this state with a population of
22 less than 10,000, as certified to the secretary of state pursuant to K.S.A.
23 11-201, and amendments thereto, on July 1 of the preceding year.

24 Sec. 2. This act shall take effect and be in force from and after its
25 publication in the statute book.