



FEDERAL TRADE COMMISSION

PROTECTING AMERICA'S CONSUMERS

FTC Challenges Louisiana Real Estate Appraisers Board Regulations that Restrict Competition

Restrictions on fee setting violate federal antitrust rules, agency alleges

FOR RELEASE

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The Federal Trade Commission has filed a complaint against [the Louisiana Real Estate Appraisers Board](#), alleging that the group is unreasonably restraining price competition for appraisal services in Louisiana, contrary to federal antitrust law. The complaint will be submitted to adjudication before an Administrative Law Judge, who will review it and render an initial decision.

In the administrative complaint, the FTC alleges that the Louisiana appraisers board limits the freedom of individual appraisers and their customers to engage in bona fide negotiations to set appraisal fees for real estate appraisals in Louisiana.

According to the FTC's complaint, the 2010 Wall Street Reform and Consumer Protection Act, popularly known as "Dodd-Frank", required appraisal management companies to pay "a rate that is customary and reasonable for appraisal services performed in the market area of the property being appraised." The FTC alleged in its complaint that the appraisal board's regulations exceeded the scope of the federal mandate. Specifically, the board required appraisal fees to equal or exceed the median fees identified in survey reports commissioned and published by the board. The board then investigated and sanctioned companies that paid fees below the specified levels. The complaint alleges that Dodd-Frank neither requires nor authorizes the restrictions that the board placed on appraisal fees.

Acting Director of the Bureau of Competition, Abbott (Tad) Lipsky, stated: "The Bureau is committed to the judicious exercise of its enforcement discretion as mapped out by the Supreme Court in the [North Carolina State Board of Dental Examiners](#) case. The great preponderance of state board activity across the country occurs without significant antitrust concern, and the Commission will respect the authority of such boards when they operate within the defined scope of antitrust law. Today's action – the first such Commission complaint against a state board since the Supreme Court decision in *North Carolina Dental* – shows that the Commission remains vigilant and will exercise its prescribed authority when economically sound and otherwise consistent with the public interest. Nearly everyone that purchases or refinances a home in the state of Louisiana pays appraisal fees, these consumers deserve to benefit from a free market where those fees are set by competition."

The Commission vote to issue the administrative complaint was 2-0. The administrative trial is scheduled to begin on January 30, 2018.

NOTE: The Commission files a complaint when it has “reason to believe” that the law has been or is being violated and it appears to the Commission that a proceeding is in the public interest. A complaint constitutes an allegation, but does not constitute a determination that the law has been violated as alleged.

The Federal Trade Commission works to [promote competition](#), and protect and educate consumers. You can learn more about [how competition benefits consumers](#) or [file an antitrust complaint](#). Like the FTC on [Facebook](#), follow us on [Twitter](#), read our [blogs](#) and [subscribe to press releases](#) for the latest FTC news and resources.

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