From: Ritter, Greg - PA [mailto:Greg.Ritter@gmacrescap.com]
Sent: Wednesday, September 19, 2012 8:55 AM
To: webmaster@asc.gov
Subject: Docket No. AS12-16 - Comments

Hello,
I would like to suggest some additional attention and perspective on the Dodd/Frank Regulation Z requirement for mandatory reporting to the State Agency, as follows:

> **Regulation Z**
> **§ 226.42 Valuation independence.**
>
> (D) Review and verify the work of fee appraisers.
> (g) Mandatory reporting--(1) Reporting required. Any covered person that reasonably believes an appraiser has not complied with the Uniform Standards of Professional Appraisal Practice or ethical or professional requirements for appraisers under applicable state or federal statutes or regulations shall refer the matter to the appropriate state agency if the failure to comply is material. For purposes of this paragraph (g)(1), a failure to comply is material if it is likely to significantly affect the value assigned to the consumer's principal dwelling.
> (2) Timing of reporting. A covered person shall notify the appropriate state agency within a reasonable period of time after the person determines that there is a reasonable basis to believe that a failure to comply required to be reported under paragraph (g)(1) of this section has occurred.
> (3) Definition. For purposes of this paragraph (g), "*state agency*" means "*state appraiser certifying and licensing agency*" under 12 U.S.C. 3350(1) and any implementing regulations. The appropriate state agency to which a covered person must refer a matter under paragraph (g)(1) of this section is the agency for the state in which the consumer's principal dwelling is located.
> *[Codified to 12 CFR 226.42]*

I believe a distinction needs to be made with the State agencies between "a covered person" as described above, and the general public. I have been researching and reaching out to several State agencies in order to facilitate mandatory reporting in the event it becomes necessary and have found that most are not prepared to accept a mandatory reporting incident. We have had one returned requiring additional submission as a complaint. Most if not all of the State agencies have a process in place to submit "complaints", but not a process to accept reporting of appraiser non-compliance as required above. Their current processes require reporting in the scope of a complaint, from a specific individual, and not reporting non-compliance.

Thank you,

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Lori L. Schuster

From: Barry, Ann (REG) <ann.barry@state.ma.us>
Sent: Friday, September 21, 2012 9:44 AM
To: webmaster@asc.gov
Cc: Clifton, Gladys M (REG); Kilb, Charles G (DPL); Vicki Ledbetter Metcalf
Subject: AS12-16: Request for Comment on Proposed Revisions to ASC Policy Statements

Dear Appraisal Subcommittee,

The Massachusetts Board of Registration of Real Estate Appraisers (Board) submits its comments on a proposal to revise the Appraisal Subcommittee's Policy Statement, in particular, Policy Statement 7 governing the timely enforcement of complaints.

The Board continues to work to meet the ASC's high burden of complaint closure within one (1) year. The Board respectfully recommends that the ASC revisit the policy that all cases except for special documented circumstances be resolved within one year. A complete case requires an investigation by the Board's investigator, a review of the complaint case by the Board's appraiser expert, a review by the Board and then by the Office of Prosecutions, the drafting of an Order to Show Cause by the Prosecutor and the drafting of other pleadings by both parties, a negotiation phase, and an adjudicatory hearing and a sanctions hearing – all within the ASC's one-year timeframe. The Board respectfully requests that the ASC re-examine its one-year case closure policy to ensure that the ASC does not hinder the Board's goal of thoroughly examining and adjudicating each case to the benefit of the appraisal consumer and the due process owed to each licensee.

Accordingly, the Board respectfully recommends a case closure timeframe of eighteen (18) months to timely enforce complaints.

Thank you.

Ann-Margarette Barry
Associate Executive Director

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From: Benton,Craig [mailto:CRAIGBENTON@synovus.com]
Sent: Wednesday, October 03, 2012 9:48 AM
To: webmaster@asc.gov
Cc: Lynne Suher
Subject: Docket Number AS12-16

To Whom It May Concern:
I note that the following text has been removed from Statement #5 in the new Policy Statement.

> "The ASC, however, has concluded that for federally related transactions the review appraiser need not register for temporary practice or otherwise be subjected to the regulatory jurisdiction of the State agency in which the appraisal was performed, so long as the review appraiser does not perform the technical review in the State within which the property is located."

I took this comment to mean, for example, that since I am located in Georgia, and general certified in Georgia, that I could do a review of a property appraisal for a property located in North Carolina, without having to be certified in North Carolina.

The removal of this comment suggests that now I will be required to be certified in North Carolina to be able to do technical reviews of properties located in North Carolina, and that I may be able to do that on a temporary basis, but the volume of reviews I do in other states may require me to get permanent certification in all those states.

The cost to the banking system for this will be significant as will the time involved in getting these credentials, not to mention the varying continuing education requirements, the timing of which are dependent on the state's renewal cycle. For example, in Georgia, certifications renew in your birth month, in South Carolina everyone renews in June, in Florida, it's a 2 year cycle with everyone renewing in November of the even years.

This will make appraisal reviewers lives very difficult as we will have to figure out education that is accepted in multiple states and make sure to take the offerings at times that make sure we have 14 hours of education staggered to cover these varying renewal dates.

I suggest the above text be left in the new statement to ensure this topic is covered. Removal of this comment makes this statement more ambiguous and open to interpretation. For example, I do not do USPAP Standard 3 reviews as part of my daily process, I do not report my own opinion of value or the quality of the appraisal. I simply review for USPAP compliance. So, this comment likely wouldn't apply to my daily work. But removal of it makes the water muddier, not clearer.

Cordially,
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From: gmann@ces-wm.com [mailto:gmann@ces-wm.com]
Sent: Wednesday, October 03, 2012 11:58 AM
To: webmaster@asc.gov
Subject: Docket No. AS12-16

To The ASC:

Thanks for the opportunity to comment on the proposed policy statements.

My area of concern is in regard to appraisers performing technical reviews (aka Appraisal Reviews per the USPAP) on appraisals of properties in other states. The referenced docket number has the following wording:

"The language in current Policy Statement 5 concerning the requirements of an appraiser to register for temporary practice in a State to perform a ''technical review'' is not included in the proposal. The ASC believes that text is outdated and unnecessary."

Regretfully, this topic has been an area of misunderstanding for the past twenty years. The following wording from the ASC addressed the situation, but the last few sentences left the answer open for debate.

"Included in ASC Policy Statement 5 is the ASC's position on when an out-of-state review appraiser must obtain a credential for purposes of performing a technical review.

The ASC has concluded that for federally related transactions, so long as the review appraiser does not perform the technical review in the state within which the property is

located, and so long as the review appraiser is certified or licensed by another state, that appraiser need not be registered for temporary practice or otherwise credentialed by the

state agency where the subject property is located. With that said, state law may be more restrictive than federal law and may require a temporary practice permit or other

credential. It is therefore imperative to consult with the state where the property is located."

Although the current wording does not resolve this issue, eliminating the wording would lead to even more confusion. I suggest the following wording be included in the proposed policy statement:

"A credentialed appraiser need not be registered for temporary practice or otherwise credentialed by the state agency where the subject property is located, so long as the review appraiser does not perform the technical review in the state within which the property is located."

A few items of note regarding the above statement:

1. As the proposed policy statements will have a definition for 'credentialed appraiser,' there is no need to add wording that the appraiser must be certified or licensed by another state. That would be duplicative.

2. Limiting this to 'federally related transactions' is overly restrictive. There are a variety of clients who need appraisal reviews and requiring the credentialed appraiser to be licensed in the state where the property is located is not consistent with longstanding market practices and would be an unnecessary burden to all parties involved.

3. The proposed wording does not allow state law to be more restrictive than federal law. That should be implied, but it might be helpful to add that wording to make it clear and beyond debate.

In conclusion, I believe this item is not outdated and truly needs to be clarified in writing once and for all. Appraisal review is an important service, but it should not be held to the same level of licensing requirements as an appraisal. In fact, many appraisal reviews do not address value at all. It would likely complicate matters if an attempt were made to address appraisal reviews that contain an opinion of value. Just simpler to group all appraisal reviews together.

Thanks for your time and consideration of the above.

Sincerely,

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