

■ ■ ■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

June 10, 2019

Ms. Neldy Jean-Francois, Deputy Commissioner and Chief of Staff
Division of Professional Licensure
1000 Washington Street, Suite 710
Boston, MA 02118

RE: Appraisal Subcommittee Staff Follow-Up Review of Massachusetts' Appraiser Regulatory Program

Dear Ms. Jean-Francois:

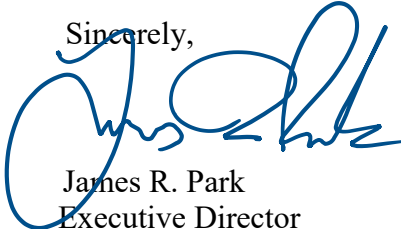
Thank you for your cooperation and your staff's assistance in the May 15, 2019, Appraisal Subcommittee (ASC) staff Follow-up Review of the Massachusetts appraiser regulatory program (Appraiser Program). This was a Follow-up Review of the July 10-12, 2018, ASC Compliance Review of the Massachusetts Appraiser Program.

As detailed in the attached Follow-up Report (Report) of the Massachusetts Appraiser Program, Massachusetts made progress in 4 of the 5 non-compliance concerns identified in the July 10-12, 2018, Appraiser Program Report.

Unfortunately, 2 of the areas identified as areas of concern in the July 10-12, 2018 ASC Appraiser Program Report, were found to be out of compliance during the Follow-up Review. ASC staff is requiring Massachusetts to provide written plans to address the out of compliance issues as detailed in the attached report.

This letter and the attached Follow-up Report are public record and available on the ASC website in accordance with the Freedom of Information Act. Please contact us if you have any questions.

Sincerely,



James R. Park
Executive Director

Attachment

cc: Mr. Shawn Murphy, Executive Director
Ms. Lynn Read, Agency Counsel
Ms. Kristin Mitchell, Program Coordinator

ASC Staff Follow-Up Report: 2018 Compliance Review

Massachusetts Appraiser Regulatory Program (State)		
Board of Registration of Real Estate Appraisers (Board)	Follow-Up Review Date: May 15, 2019	Follow-Up Report Issue Date: June 10, 2019
Umbrella Agency: Division of Professional Licensure	ASC Compliance Review Date: July 10-12, 2018	PM: C. Brooks
Follow-Up of Compliance Review Report Dated: December 3, 2018	ASC Finding: Needs Improvement	

Applicable Federal Citations	ASC Staff Assessment			Required/Recommended State Actions from the December 3, 2018 Compliance Review Report	Status as of May 19, 2019 Follow-Up	Further Required Actions/Comments
	Compliance (YES/NO)	Areas of Concern (AC)				
	Yes	No	AC			
Temporary Practice:		X				
States must issue temporary practice permits within five business days of receipt of a completed application, or notify the applicant and document the file as to the circumstances justifying delay or other action. (12 U.S.C. § 3351; Policy Statement 2.)				The State must monitor temporary practice permit processing to ensure compliance with Title XI and ASC Policy Statement 2.	ASC staff reviewed a sampling of 16 temporary practice application files issued since the last Compliance Review. Of 16 files reviewed, 5 were not issued within 5 business days of receipt of the completed application. These 5 applications were received during a time when the staff person assigned to process temporary practice applications was on extended leave and the temporary personnel assigned to the task left the Program.	<p>Further Required Actions: Within 60 days from the date of this Report, the State must provide a written plan to ASC staff on procedures it will implement to ensure Temporary Practice applications are processed within 5 business days of a completed application.</p> <p>Comments: ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2 during the next Review.</p>
National Registry:		X				
States must submit all disciplinary actions to the ASC for inclusion on the National Registry. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 A, D, E.)				The State should develop a procedure to ensure that all disciplinary actions are submitted to the Appraiser National Registry in a timely manner.	ASC staff monitored the discipline on the quarterly enforcement logs submitted by the State and found discipline imposed against 7 respondents was not reported to the National Registry until prompted by ASC staff.	<p>Further Required Actions: Within 60 days from the date of this Report, the State must develop and provide a written plan to ASC staff to ensure that all disciplinary actions are submitted to the Appraiser National Registry within 5 days after the disciplinary action is final, as determined by State law.</p> <p>Comments: ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3 during the next Review.</p>

ASC Staff Follow-Up Report: 2018 Compliance Review

Massachusetts Appraiser Regulatory Program (State)						
Board of Registration of Real Estate Appraisers (Board)			Follow-Up Review Date: May 15, 2019	Follow-Up Report Issue Date: June 10, 2019		
Umbrella Agency: Division of Professional Licensure			ASC Compliance Review Date: July 10-12, 2018	PM: C. Brooks		
Follow-Up of Compliance Review Report Dated: December 3, 2018			ASC Finding: Needs Improvement			
Applicable Federal Citations	ASC Staff Assessment Compliance (YES/NO) Areas of Concern (AC)			Required/Recommended State Actions from the December 3, 2018 Compliance Review Report	Status as of May 19, 2019 Follow-Up	Further Required Actions/Comments
	Yes	No	AC			
National Registry continued:		X				
States must notify the ASC as soon as practicable of voluntary surrenders, suspensions, revocations, or any other action that interrupts a credential holder's ability to practice. (12 U.S.C. § 3347; Policy Statement 3 D, E.)				The State should develop a procedure to ensure that all disciplinary actions are submitted to the Appraiser National Registry in a timely manner.	ASC staff monitored the discipline on the quarterly enforcement logs submitted by the State and found a credential holder who voluntarily surrendered the credential in lieu of discipline was not reported to the National Registry until prompted by ASC staff.	Further Required Actions: Within 60 days from the date of this Report, the State must develop and provide a written plan to ASC staff to ensure that all disciplinary actions are submitted to the Appraiser National Registry within 5 days after the disciplinary action is final, as determined by State law. Comments: ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3 during the next Review.
National Registry continued:	X					
States must ensure the accuracy of all data submitted to the National Registry. (12 U.S.C. § 3347; Policy Statement 3 A, D, E.)				The State should monitor the new process to ensure the information submitted to the Appraiser National Registry is up to date and accurate.	During the Follow-up Review ASC staff did not find any instances where the data submitted to the National Registry was inaccurate.	Further Required Actions: None Comments: ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3 during the next Review.
Applications:	X					
States must maintain adequate documentation to support verification of all claimed education. (12 U.S.C. § 3347; Policy Statement 4 B, C.)				The State should implement an effective policy and procedure to ensure in the future, documentation used to validate education claims are properly retained and available to ASC staff during the Compliance Review.	During the Follow-up Review all documentation requested by ASC staff was provided.	Further Required Actions: None Comments: ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4 during the next Review.
Application Process continued:	X					
States must complete audits of affidavits for continuing education credit claimed within sixty days from the date the renewed credential is issued. (12 U.S.C. § 3347; Policy Statement 4 F.)				The State should monitor the new process for CE audits to ensure compliance with ASC Policy Statement 4.	During the Follow-up Review, ASC staff found the State is completing audits of affidavits for CE within 60 days.	Further Required Actions: None Comments: ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4 during the next Review.

ASC Staff Follow-Up Report: 2018 Compliance Review

Massachusetts Appraiser Regulatory Program (State)		
Board of Registration of Real Estate Appraisers (Board)	Follow-Up Review Date: May 15, 2019	Follow-Up Report Issue Date: June 10, 2019
Umbrella Agency: Division of Professional Licensure	ASC Compliance Review Date: July 10-12, 2018	PM: C. Brooks
Follow-Up of Compliance Review Report Dated: December 3, 2018	ASC Finding: Needs Improvement	

Applicable Federal Citations	ASC Staff Assessment			Required/Recommended State Actions from the December 3, 2018 Compliance Review Report	Status as of May 19, 2019 Follow-Up	Further Required Actions/Comments
	Compliance (YES/NO)	Areas of Concern (AC)				
	Yes	No	AC			
Enforcement:	X					
States must document and maintain files to enable understanding of facts, determinations, and rationale for those determinations. (12 U.S.C. § 3347; Policy Statement 7 B.)				The State must ensure all cases on the enforcement log submitted for ASC staff's review have supporting documentation and entries that are not the subject of a complaint are identified as such.	During the Follow-up Review all documentation requested by ASC staff was provided and the enforcement log appeared accurate.	Further Required Actions: None Comments: ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7 during the next Review.
Enforcement continued:			X			
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)				While the number of aged complaints has been reduced, the number of complaints the State received decreased from 309 during the 2014 Review Cycle to 74 during this Review Cycle. The State must ensure that the complaints of appraiser misconduct or wrongdoing are resolved on a timely basis as required by ASC Policy Statement 7. The State must continue to submit complaint logs to ASC staff quarterly. Staff will analyze each log. If progress is not made, the ASC may place additional requirements upon the State.	During the Follow-up Review, the State had 24 outstanding complaints of which 3 were unresolved for more than 1 year without the exemption for special documented circumstances. The State has been providing the quarterly complaint logs to ASC staff as requested.	Further Required Actions: The State must continue to submit complaint logs to ASC staff quarterly. Comments: ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7 during the next Review.