

Appraisal Subcommittee
Federal Financial Institutions Examination Council

May 23, 1997

Mr. David A. Murphy, Chairman
Board of Registration of
Real Estate Appraisers
Division of Registration
The Commonwealth of Massachusetts
Leverett Saltonstall Building
100 Cambridge Street
Boston, MA 02202

Dear Mr. Murphy:

Thank you for your April 10, 1997 letter responding to our December 12, 1996 letter concerning our September 30, 1996 review of the Massachusetts appraiser regulatory program. We are pleased that the Massachusetts Board of Registration ("Board") has addressed most of the issues presented in our letter. Two items, however, still concern us.

In our letter, we expressed concern regarding several cases that have been outstanding for as long as three years. Many of these pending cases involve allegations of incompetence, unprofessional conduct and misrepresentation. We asked for an explanation regarding these long delays. In your letter, you responded that none of these cases "present a public safety priority."

We appreciate the importance of States assigning priorities to cases based on the level of risk to public safety. Nevertheless, the Board, as a State appraiser certifying and licensing agency ("State agency"), has additional responsibilities under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Title XI's general purpose is to provide that Federal financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals used in connection with federally related transactions are performed by persons with demonstrated competency who are supervised effectively by State agencies. The allegations in these cases, if proven, represent the kind of behavior that Title XI was intended to prevent or correct. They certainly present a priority from that viewpoint. Accordingly, please provide us anticipated resolution dates for these cases and an explanation of any circumstances that might inhibit prompt resolution.

The second issue concerns your practice of providing a certificate or license for three years *plus the amount of time until the appraiser's next birthday*. It appears that we failed in our previous letter to explain this issue clearly. The \$25 National Registry fee is required for each year, *or partial year*, of an appraiser's certificate or license. If your certificate or license period exceeds three years, which is almost always the case, the appraiser owes Registry fees for four years, not three years. We do not waive or prorate the Registry fee for a partial year. Effective immediately, you must begin collecting, and remitting to us, the appropriate Registry fees for your appraisers.

To help us remain current on the enforcement aspect of Massachusetts' appraiser regulatory program, please send us updated appraiser/appraisal-related logs of the Division's investigative

and legal units, as well as documentation of any Board-imposed appraiser sanctions since September 30, 1996, the date of our last field review.

Please respond to these issues within 45 days. Do not hesitate to contact us if you have any questions.

Sincerely,

Herbert S. Yolles
Chairman