

January 17, 2024

Via Email

Kristin Mitchell, Executive Director
Board of Registration of Real Estate Appraisers
1000 Washington Street, Suite 710
Boston, MA 02118-6100
kristin.m.mitchell@state.ma.us

RE: ASC Compliance Review of Massachusetts' Appraisal Management Company (AMC)
Regulatory Program

Dear Kristin Mitchell:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Massachusetts AMC regulatory program (AMC Program) on May 23-25, 2023, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

The ASC considered the preliminary results of the Review and the State's response to those results. The AMC Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) is attached.

The ASC identified the following area of non-compliance:

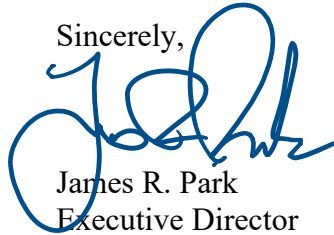
- States must collect and transmit the registry fees for AMCs that meet the federal definition of an AMC.¹

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Massachusetts will remain on a two-year Review Cycle.

¹ Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; 12 CFR 1102.403; Policy Statements 8 and 9.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,

A handwritten signature in blue ink, appearing to read "James R. Park", is positioned above the printed name and title.

James R. Park
Executive Director

Attachment

cc: Lynn Read, Board Counsel, lynn.p.read@state.ma.us

Colleen Maloney, Associate Deputy Commissioner, colleen.r.maloney2@state.ma.us

Kristina Gasson, Deputy General Counsel, kristina.gasson1@mass.gov

ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> • State meets all Title XI mandates and complies with requirements of ASC Policy Statements • State maintains a strong regulatory Program • Very low risk of Program failure 	2-year
Good	<ul style="list-style-type: none"> • State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements • Deficiencies are minor in nature • State is adequately addressing deficiencies identified and correcting them in the normal course of business • State maintains an effective regulatory Program • Low risk of Program failure 	2-year
Needs Improvement	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program • State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies • State regulatory Program needs improvement • Moderate risk of Program failure 	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program • State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing • State regulatory Program has substantial deficiencies • Substantial risk of Program failure 	1-year
Poor**	<ul style="list-style-type: none"> • State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements • Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program • State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies • High risk of Program failure 	Continuous monitoring

*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

**An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 12, Interim Sanctions.



ASC State AMC Program Compliance Review Report

ASC Finding: Good
Final Report Issue Date: January 17, 2024

Massachusetts AMC Regulatory Program (State)		PM: M. Brown	ASC Compliance Review Date: May 23-25, 2023	Review Period: June 2021 to April 2023
Board of Registration of Real Estate Appraisers (Board)				
Umbrella Agency: Division of Professional Licensure		Number of AMCs on AMC Registry: 0		Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures Continued:	X			No compliance issues noted.	None	None	None
National Registry:			X				
States must report all disciplinary action taken against an AMC to the ASC via the extranet application within 5 business days after the disciplinary action is final, as determined by State law. (Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 9.)				The State does not have the legal authority to report disciplinary actions taken against an AMC to the ASC.	On October 12, 2023, the State reported that it was in the process of rulemaking to authorize the reporting of disciplinary actions taken against an AMC to the AMC Registry under its statutory authority.	The State should continue the process to adopt its regulation to authorize the reporting of disciplinary actions taken against an AMC, and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 9.
National Registry Continued:		X					
States must collect and transmit the registry fees for AMCs that meet the federal definition of an AMC. (Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; 12 CFR 1102.403; Policy Statements 8 and 9.)				The State does not have the legal authority to collect or transmit AMC Registry fees.	On October 12, 2023, the State reported that it was in the process of rulemaking to authorize the collection and transmission of the AMC Registry fee under its statutory authority.	The State must continue the process to adopt its regulation to authorize the collection and transmission of the AMC Registry fee and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statements 8 and 9.
National Registry Continued:			X				
State must report AMCs that are either registered with and subject to the supervision of a State or are operating subsidiaries of a Federally regulated financial institution to the AMC Registry. (Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; 12 CFR 1102.403; Policy Statements 8 and 9.)				The State does not have the legal authority to report AMCs that are either registered with and subject to the supervision of a State or are operating subsidiaries of a Federally regulated financial institution to the AMC Registry.	On October 12, 2023, the State responded that it was in the process of rulemaking to authorize the reporting of AMCs that are either registered with and subject to the supervision of a State or are operating subsidiaries of a Federally regulated financial institution to the AMC Registry.	The State should continue the process to adopt its regulation to authorize the reporting of AMCs that are either registered with and subject to the supervision of a State or are operating subsidiaries of a Federally regulated financial institution to the AMC Registry, and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statements 8 and 9.
Enforcement:	X						
				No compliance issues noted.	N/A	None	None