

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' Appraiser Regulatory Program

Dear Kristin Mitchell:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Massachusetts' appraiser regulatory program (Appraiser Program) on May 23-25, 2023, to determine the 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 Appraiser Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the Massachusetts' Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- 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;¹ and
- States must submit all disciplinary actions to the ASC for inclusion on the National Registry.²

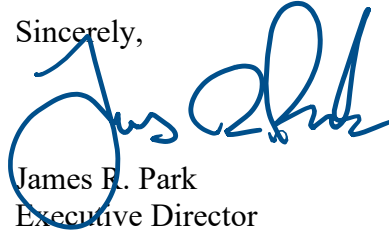
ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Massachusetts will remain on a two-year Review Cycle.

¹ 12 U.S.C. § 3351; Policy Statement 2 B.

² 12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 A, D, E.

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". The signature is stylized and written over the printed name below it.

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 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.



ASC State Appraiser Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: January 17, 2024

Massachusetts Appraiser Regulatory Program (State)					
Board of Registration of Real Estate Appraisers (Board)		PM: M. Brown		ASC Compliance Review Date: May 23-25, 2023	
Umbrella Agency: Division of Professional Licensure			Number of State Credentialed Appraisers on Appraiser Registry: 1,930		Review Period: June 2021 to April 2023
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:	X			No compliance issues noted.	None	None	None
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 B.)				The State failed to process requests for temporary practice permits within 5 business days of receipt of a completed application. Timely processing of temporary practice applications was cited in the last two Reviews.	On October 12, 2023, the State acknowledged that 2 temporary permits were not issued within 5 business days of a completed application.	The State must develop a procedure to ensure that all temporary practice permits are issued within 5 business days of receipt of a completed application.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2.
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 did not report all disciplinary actions to the Appraiser Registry. This was also cited in the last Review.	On October 12, 2023, the State acknowledged that 3 disciplinary actions were not reported to the Appraiser Registry. The disciplinary actions were entered as soon as the Board and Division became aware that they had not been reported.	The State must develop a procedure to ensure all disciplinary actions are submitted to the ASC for timely inclusion on the Appraiser Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:			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.)				The State had 8 aged complaints, of which 2 were unresolved for more than 1 year without the exemption for special documented circumstances.	On October 12, 2023, the State explained its disciplinary process under a shared-service model that serves multiple licensing boards.	The State should monitor its complaint process to ensure compliance with Title XI.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7.