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Appraisal Subcommittee

Federal Financial Institutions Examination Council

January 4, 2019

Ms. Barbara J.K. Lopez, Deputy Attorney General
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101

Dear Ms. Lopez:

During our November 14–16, 2018 Compliance Review of the New Jersey Appraiser Regulatory Program, we were made aware of draft proposed regulation changes concerning: (1) reciprocity for appraisers; and (2) appraisal management company (AMC) appraiser panels.

It appears the draft proposed regulation changes are not consistent with federal minimum requirements as set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (Title XI) or with the AMC Rule.¹

Title XI requires States to have in place a policy for issuing a reciprocal certification or license to an appraiser from another State under specific conditions. The reciprocity policy requires a State to issue a reciprocal credential IF:

- a. the appraiser is coming from a State that is in compliance with Title XI;
- b. the appraiser holds a valid credential from that State; and
- c. the current credentialing requirements of that State meet or exceed those of the reciprocal credentialing State's current requirements.

A State may not impose additional impediments to issuance of reciprocity credentials. A State may be more lenient in the issuance of reciprocal credentials (a more open-door policy).

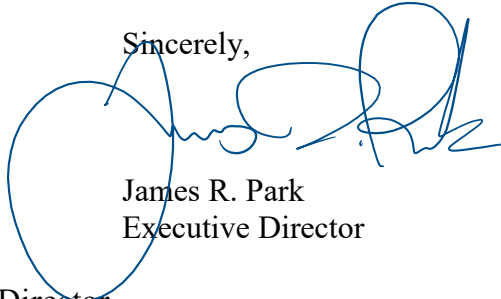
¹ The Dodd-Frank Act required the Office of the Comptroller of the Currency (OCC); Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); National Credit Union Administration (NCUA); Bureau of Consumer Financial Protection (Bureau); and Federal Housing Finance Agency (FHFA) to establish, by rule, minimum requirements for State registration and supervision of appraisal management companies (AMCs). (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26.)

The draft proposed regulation changes to amend N.J.A.C. 13:40A-8.1 are not consistent with Title XI as the proposed language bases reciprocity on the time of credential issuance rather than current credentialing requirements.

Moreover, the draft proposed regulation changes to amend N.J.A.C. 13:40A-9.8(a) and 13:40A-9-11(a)5 are not consistent with the AMC Rule. The proposed regulations would allow AMCs to remove an appraiser from their panel within 90 days after the appraiser is first added to an AMC's panel. The AMC Rule requires that an AMC provide written notification to remove an appraiser from an AMC's panel without regard to when the appraiser was added.

Please contact Vicki Metcalf at (202) 365-5341 if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "James R. Park", is written over a large, empty blue oval. The signature is fluid and cursive.

James R. Park
Executive Director

cc: Mr. Charles Kirk, Executive Director
Ms. Rachel Glasgow, Regulatory Analyst