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Appraisal Subcommittee
Federal Financial Institutions Examination Council

July 19, 2017

Ms. Karen Bivins, Administrator
Board of Real Estate Appraisers
Office of Professional & Occupational Regulation
Department of Professional and Financial Regulation
35 State House Station
Augusta, ME 04333

RE: ASC Compliance Review of Maine's Appraiser Regulatory Program

Dear Ms. Bivins:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Maine appraiser regulatory program (Program) on May 22-24, 2017, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

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

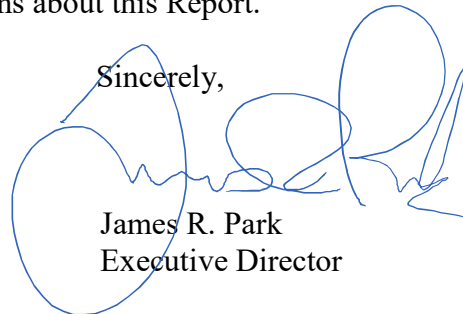
The ASC identified the following area of non-compliance:

- States must, at a minimum, adopt and/or implement all relevant AQB Criteria.¹

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

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,



James R. Park
Executive Director

Attachment
cc: Mr. Ted Webersinn, Chair

¹ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.

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 ²	<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.

² An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.

ASC Compliance Review Report						ASC Finding: Good	
						Final Report Issue Date: July 19, 2017	
Maine Appraiser Regulatory Program (State)							
Maine Board of Real Estate Appraisers (Board) / Decision Making			PM: V. Metcalf		ASC Compliance Review Date: May 22-24, 2017		Review Period: June 2015 to May 2017
Umbrella Agency: Department of Professional and Financial Regulation				Number of State Credentialed Appraisers on National Registry: 557		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					
States must, at a minimum, adopt and/or implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.)				Up to 1/2 of an appraiser's continuing education (CE) requirement may be granted for participation, other than as a student, in such activities as teaching or authoring a textbook. Nothing in Maine's statute, regulations, and/or written policies limit the amount of CE that may be acquired from these types of activities.	On June 30, 2017, the State reported the Board was aware of the requirement to limit the hours permitted for teaching. However, the current rules do not allow for the limitation. The State reported they will amend its rules later this year.	The State must cease reporting to the National Registry appraiser credentials of applicants whose CE does not meet AQB Criteria. In addition, the State must amend its regulation to bring it into compliance with AQB Criteria. A copy of the amended regulation should be provided to ASC staff 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 1.
Temporary Practice:	X						
				No compliance issues noted.	N/A	None	None
National Registry:	X						
				No compliance issues noted.	N/A	None	None
Application Process:	X						
States must verify that all claimed qualifying and continuing education courses are acceptable under AQB Criteria. (12 U.S.C. § 3347; Policy Statement 4 B, C.)				A Certified appraiser was permitted to renew a credential based solely on his hours spent teaching appraisal courses. AQB Criteria allows for up to 1/2 of an appraiser's CE for participation, other than as a student, in such activities as teaching or authoring a textbook.	On July 11, 2017, the State provided evidence to the ASC of 28 hours of appropriate CE from the Certified Appraiser to meet the 2015 and 2016 renewal.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4.
Reciprocity:	X						
				No compliance issues noted.	N/A	None	None
Education:	X						
				No compliance issues noted.	N/A	None	None
Enforcement:	X						
				No compliance issues noted.	N/A	None	None