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Appraisal Subcommittee

Federal Financial Institutions Examination Council

December 7, 1998

Donald Bamman, Chairperson
Maine Board of Real Estate Appraisers
35 State House Station
Augusta, ME 04333

Dear Mr. Bamman:

Thank you for your cooperation and your staff's assistance in the September 30 - October 1, 1998 Appraisal Subcommittee ("ASC") review of the Maine Board of Real Estate Appraisers ("Board") and appraiser regulatory program ("Program").

Our review revealed that, in most respects, Maine's Program is efficient and well operated. Several areas, however, need attention. We are pleased that the Board had identified most of these areas before our review and has been addressing them through either regulatory or proposed statutory changes.

- **Maine's appraisal statute does not conform to ASC Policy Statement 5 - Temporary Practice.**

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("Title XI") directed the ASC to identify and prohibit burdensome temporary practice provisions. Our findings and policies in this area are set forth in ASC Policy Statement 5 - Temporary Practice. Maine's Real Estate Licensing and Certification Act ("Act") fails to conform to these policies in several areas.

The Act limits temporary practice permits to six months and does not allow extensions. Policy Statement 5 states that limiting the valid time period of a temporary practice permit to less than six months or not providing a temporary practitioner with an effortless method of obtaining an extension is burdensome.

The Act limits an appraiser to two temporary practice permits in a two-year period. Under ASC Policy Statement 5, limiting an out of state certified appraiser to a single permit per calendar year is considered burdensome.

Based on Maine's Attorney General's advice, the Board reviews temporary practice applications at regular Board meetings. In some cases, this means that a temporary practice application may not be reviewed for up to a month. ASC Policy Statement 5 provides that taking more than five business days (after receipt of a completed temporary practice application) to act on a temporary practice application is burdensome.

To comply with Title XI, the Board must initiate changes to the Act to:

- Provide that temporary practice permits are valid for at least six months and may be extended easily at least once;
- Provide for more than one temporary practice in one calendar year; and

- Provide for reviewing temporary practice applications within five business days of receiving a completed application.

We are aware that possible revisions to the Act currently are being considered by the State. We also understand, based on ASC staff's participation at your October 1, 1998 Board meeting, that the Board is proposing revised legislative wording that will address our temporary practice concerns. We wish you success in your efforts and will be following the progress of the proposed legislative changes. Please notify us after your legislature acts on the proposed legislation.

Please respond to our findings and recommendations within 60 days from the date of this letter. Until the expiration of that time period or the receipt of your response, we consider this field review to be an open matter. After receiving your response or the expiration of the 60-day response period, whichever is earlier, this letter, your response and any other correspondence between you and the ASC regarding this field review become releasable to the public under the Freedom of Information Act and will be made available on our Web site.

If you have any questions, please contact us.

Sincerely,

Herbert S. Yolles
Chairman