

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulation
Department of Labor, Licensing, and Regulation
(DLS Control No. 14-140)**

Overview and Legal and Fiscal Impact

This regulation alters eligibility criteria for supervising appraisers and requires a supervising appraiser to complete a course on requirements, expectations, and responsibilities.

The regulation presents no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulation of COMAR Affected

Department of Labor, Licensing, and Regulation:

Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors – Real Estate Appraisers: General Regulations: COMAR 09.19.12.02

Legal Analysis

Background

The U.S. Congress passed the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) in response to losses the federal government suffered during the savings and loan crisis of the 1980s. FIRREA included appraisal reforms contained in Title XI of the law after finding evidence of incompetent and fraudulent appraisal practices in the years preceding the crisis. Chapter 594 of 1990 established the Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors, originally named the State Commission of Real Estate Appraisers, to implement and administer a program in compliance with Title XI of FIRREA. More recently, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) of 2010 significantly amended Title XI of FIRREA. Under Title XI, the Appraiser Qualifications Board (AQB) establishes the minimum education, experience, and examination requirements for real property appraisers. Under FIRREA and Dodd-Frank, states are required to implement appraiser certification requirements that are no less stringent than those issued by the AQB in the Real Property Appraiser Qualification Criteria. This regulation aligns the commission's regulations with AQB requirements.

Summary of Regulation

To be eligible to serve as a supervising appraiser, an individual must be in good standing, may not have been subject to any disciplinary action within the immediately preceding three years (rather than two years currently), and must have held a certified residential or certified general real estate appraisal license for at least three years (rather than two years currently). A supervising appraiser must complete a course approved by the commission on the requirements, expectations, and responsibilities of supervisory appraisers. At a minimum, the course must comply with the specifications for course content established by the AQB.

Legal Issue

The regulation presents no legal issues of concern.

Statutory Authority and Legislative Intent

The Department of Labor, Licensing, and Regulation cites §§ 16-101(r), 16-216, 16-220, and 16-5A-03 of the Business Occupations and Professions Article as authority for the regulation. Specifically, the regulation is authorized by § 16-216, which authorizes the commission to adopt any regulation necessary to carry out the provisions of the Maryland Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors Act, and § 16-220 requires the commission to adopt regulations that comply with FIRREA. This authority is correct and complete. The regulation complies with the legislative intent of the law.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The department advises that the regulation has minimal or no impact on State or local governments. The Department of Legislative Services concurs.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The department advises that the regulation has minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

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