

MARYLAND REGISTER

## Proposed Action on Regulations

### Comparison to Federal Standards Submission and Response

**Name:** Donnice M Turner  
**Agency:** Department of Labor, Licensing, and Regulation  
**Address:** 500 N. Calvert Street, 4th Floor  
**State:** MD  
**Zip:** 21202  
**Phone:** 410-230-6008  
**Email:** donniturner@dllr.state.md.us

In accordance with Executive Order 01.01.1996.03 and memo dated July 26, 1996, the attached document is submitted to the Department of Business and Economic Development for review.

The Proposed Action is not more restrictive or stringent than corresponding federal standards.

**COMAR Codification:** 09.19.12.02

**Corresponding Federal Standard:**

Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989; Dodd-Frank Wall Street Reform and Consumer Protection Act.

**Discussion/Justification:**

The federal Appraiser Qualifications Board ("AQB") of The Appraisal Foundation, enacts and mandates real property appraiser qualification requirements, including revised qualifications for eligibility to serve as a supervising appraiser of licensed trainee appraisers to become effective no later than January 1, 2015. Under the provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("Title XI"), the AQB establishes the minimum education, experience and examination requirements for appraisers. Under Title XI and the enactment of Dodd-Frank Wall Street Reform and Consumer Protection Act, states are required to implement appraiser license and certification requirements that are no less stringent than those issued by the AQB in the Real Property Appraiser Qualifications Criteria. If a state fails to implement corresponding appraiser license and certification requirements, federal auditors will recommend decertification of the State's program.

### TO BE COMPLETED BY DBED

- Agree

-Disagree

**Comments:**

Name: Sally Kenyon Grant

Date: 5/29/2014

\_ -Submit to Governor's Office  
**Governor's Office Response**

**Comments:**

<b>Transmittal Sheet</b>  <b>PROPOSED OR REPROPOSED</b>  <b>Actions on Regulations</b>	<b>Date Filed with AELR Committee</b>	<b>TO BE COMPLETED BY DSD</b>
	05/30/2014	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

**1. Desired date of publication in Maryland Register: 6/27/2014**

**2. COMAR Codification**

**Title Subtitle Chapter Regulation**

09 19 12 02

**3. Name of Promulgating Authority**

Department of Labor, Licensing, and Regulation

**4. Name of Regulations Coordinator Telephone Number**

Donnice M Turner 410-230-6008

**Mailing Address**

500 N. Calvert Street, 4th Floor

**City State Zip Code**  
Baltimore MD 21202

**Email**

donniturner@dllr.state.md.us

**5. Name of Person to Call About this Document Telephone No.**

Patti Schott 410-230-6165

**Email Address**

patricia.schott@maryland.gov

**6. Check applicable items:**

New Regulations

Amendments to Existing Regulations

Date when existing text was downloaded from COMAR online: May 12, 2014.

Repeal of Existing Regulations

Recodification

Incorporation by Reference of Documents Requiring DSD Approval

Reproposal of Substantively Different Text:

: Md. R  
(vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: --P.

**7. Is there emergency text which is identical to this proposal:**

Yes  No

**8. Incorporation by Reference**

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

**9. Public Body - Open Meeting**

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

**10. Children's Environmental Health and Protection**

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

**11. Certificate of Authorized Officer**

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Sloane Fried Kinsler, General Counsel, (telephone #410-203-6119) on May 12, 2014. A written copy of the approval is on file at this agency.

**Name of Authorized Officer**

Patricia Schott

**Title**

Executive Director

**Telephone No.**

410-230-6165

**Date**

April 23, 2014

**Title 09**  
**DEPARTMENT OF LABOR, LICENSING, AND**  
**REGULATION**

**Subtitle 19 COMMISSION OF REAL ESTATE APPRAISERS,**  
**APPRAISAL MANAGEMENT COMPANIES AND HOME**  
**INSPECTORS - REAL ESTATE APPRAISERS**

**09.19.12 General Regulations**

Authority: Business Occupations and Professions Article, §§16-101(r), 16-216, 16-220 and 16-5A-03 Annotated Code of Maryland

**Notice of Proposed Action**

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The Commission of Real Estate Appraisers, Appraisal Management Companies and Home Inspectors proposes to amend Regulation .02 Supervising Appraisers under COMAR 09.19.12 General Regulations.

This action was considered at a public meeting of the Commission held on April 8, 2014, notice of which was given in 41:6 Md. R 407 (March 21, 2014) pursuant to State Government Article, §10-506(c) Annotated Code of Maryland.

**Statement of Purpose**

The purpose of this action is to amend into COMAR requirements for supervisory real estate appraisers, in compliance with a mandate by the federal Appraiser Qualifications Board ("AQB") of The Appraisal Foundation, for applicable provisions to become effective no later than January 1, 2015. Under the provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (Title XI), the AQB establishes the minimum education, experience and examination requirements for real property appraisers. Under FIRREA Title XI and the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 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.

The purpose of this action is comply with a federal requirement increasing from two to three years, the length of time that an individual must hold a residential or general real estate appraiser certificate before the individual is eligible to become a supervising appraiser; and to increase from two to three years, the length of time a supervising appraiser is prohibited from supervising a trainee appraiser following a disciplinary action imposed upon his or her certification. This action is intended to enhance the public trust by

assuring that supervising appraisers, who provide a critical role in the mentoring, training and development of future appraisers, are experienced, competent and qualified to supervise trainee appraisers.

### **Comparison to Federal Standards**

There is a corresponding federal standard to this proposed action, but the proposed action is not more restrictive or stringent.

### **Estimate of Economic Impact**

#### **I. Summary of Economic Impact.**

This regulation has no economic impact.

<b>II. Types of Economic Impact.</b>	Revenue (R+/R-)	Expenditure (E+/E-)	Magnitude
A. On issuing agency:	NONE		
(1)	(R+)		NA
B. On other State agencies:	NONE		
C. On local governments:	NONE		
	Benefit (+)		Magnitude
	Cost (-)		
D. On regulated industries or trade groups:	NONE		
E. On other industries or trade groups:	NONE		
F. Direct and indirect effects on public:	NONE		

#### **III. Assumptions.** (Identified by Impact Letter and Number from Section II.)

A(1). Compliance with federal rule

### **Economic Impact on Small Businesses**

The proposed action has minimal or no economic impact on small businesses.

### **Impact on Individuals with Disabilities**

The proposed action has no impact on individuals with disabilities.

### **Opportunity for Public Comment**

Comments may be sent to Patricia Schott, Executive Director, Commission of Real Estate Appraisers, Appraisal Management Companies and Home Inspectors 500 N Calvert Street #302 Baltimore MD 21202 or call 410-

230-6165, or email to [patricia.schott@maryland.gov](mailto:patricia.schott@maryland.gov), or fax to 410-333-6314. Comments will be accepted through August 11, 2014. A public hearing has not been scheduled.

### **Open Meeting**

Final action on the proposal will be considered by Commission of Real Estate Appraiser, Appraisal Management Companies and Home Inspectors during a public meeting to be held on August 12, 2014, at 500 N. Calvert Street, Baltimore, MD 21202.

### **Economic Impact Statement Part C**

A. Fiscal Year in which regulations will become effective: FY 15

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

No

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

There are no funds needed to implement this action.

E. If these regulations have no economic impact under Part A, indicate reason briefly:

The regulation is needed to comply with a federal mandate effective January 1, 2015. There is no cost associated with this conformity regulation.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

The purpose of this regulation is to comply with a federal mandate effective January 1, 2015. Moreover, no businesses are expected to incur any expense as a result of implementation.

G. Small Business Worksheet:

Impact Statement Part C — Legislative Information

Part C requests agencies to provide information required by the Department of Legislative Services in its report to the AELR Committee. Answer the questions in the space provided. Part C is not printed in the Maryland Register.

This worksheet is designed to assist the agency in determining if and how the proposal impacts small businesses. Quantify the number of affected small businesses and estimates of costs and benefits to small businesses if possible. State Government Article, §2-1505.2, includes the following definitions which are relevant to the analysis:

“Economic impact analysis” means an estimate of the cost or the economic benefit to small businesses that may be affected by a regulation proposed by an agency pursuant to Title 10, Subtitle 1 of this article.

“Small business” means a corporation, partnership, sole proprietorship, or other business entity, including its affiliates, that: (i) is independently owned and operated; (ii) is not dominant in its field; and (iii) employs 50 or fewer full-time employees.

1a. Intended Beneficiaries. Who are the intended beneficiaries of the proposed regulation? Are these intended beneficiaries primarily households or businesses?

The intended beneficiaries are individuals who are in training to become appraisers and any users of real property appraisal services.

1b. Intended Beneficiaries: Households. If households are the primary intended beneficiaries, will the proposal affect their income or purchasing power such that the volume or patterns of their consumer spending will change? If so, what directions of change would you anticipate? Will these expected spending changes have a disproportionate impact on small businesses? Can you descriptively identify the industries or types of business activities that are impacted?

Homeowners will only be affected to the extent that they will have better qualified appraisers perform their real property appraisals.

1c. Intended Beneficiaries: Businesses. If businesses are the intended beneficiaries, identify the businesses by industry or by types of business activities. How will businesses be impacted? Are these Maryland establishments' disproportionately small businesses? If so, how will these Maryland small businesses be affected? Can you identify or estimate the present number of small businesses affected? Can you estimate the present total payroll or total employment of small businesses affected?

N/A, as the regulation is necessary to comply with the federal requirement.

2a Other Direct or Indirect Impacts: Adverse. Businesses may not be the

intended beneficiaries of the proposal. Instead, the proposal may direct or otherwise cause businesses to incur additional expenses of doing business in Maryland. Does this proposal require Maryland businesses to respond in such a fashion that they will incur additional work-time costs or monetary costs in order to comply? Can you estimate the possible number of Maryland small businesses adversely affected? (Note that small business compliance costs in the area of regulation are the sum of out-of-pocket (cash) costs plus time costs — usually expressed as payroll, akin to calculations for legislative fiscal notes. Precise compliance costs may be difficult to estimate, but the general nature of procedures that businesses must accomplish to comply can be described.)

N/A, as the regulation is necessary to comply with the federal regulation of real estate appraisal practice.

2b. Other Direct or Indirect Impacts: Positive. Maryland businesses may positively benefit by means other than or in addition to changed consumer spending patterns. How may Maryland businesses be positively impacted by this initiative? Will Maryland small businesses share proportionately or disproportionately in these gains? Can you estimate the possible number of Maryland small businesses positively affected?

N/A, as the regulation is necessary to comply with the federal regulation of real estate appraisal practice.

3. Long-Term Impacts. There are instances where the longer run economic impact effects from regulations differ significantly from immediate impact. For example, regulations may impose immediate burdens on Maryland small businesses to comply, but the overall restructuring of the industry as a consequence of monitoring and compliance may provide offsetting benefits to the affected small businesses in subsequent years. Can you identify any long run economic impact effects on Maryland small businesses that over time (a) may compound or further aggravate the initial economic impact described above, or (b) may mitigate or offset the initial economic impact described above?

N/A, as the regulation is necessary to comply with the federal regulation of real estate appraisal practice.

4. Estimates of Economic Impact. State Government Article, §2-1505.2 requires that an agency include estimates, as appropriate, directly relating to: (1) cost of providing goods and services; (2) effect on the work force; (3) effect on the cost of housing; (4) efficiency in production and marketing; (5) capital investment, taxation, competition, and economic development; and (6) consumer choice.

N/A, as the regulation is necessary to comply with the federal regulation of real estate appraisal practice.

Attached Document:

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## **Title 09 DEPARTMENT OF LABOR, LICENSING, AND REGULATION**

### **Subtitle 19 COMMISSION OF REAL ESTATE APPRAISERS, APPRAISAL MANAGEMENT COMPANIES AND HOME INSPECTORS — REAL ESTATE APPRAISERS**

#### **Chapter 12 General Regulations**

Authority: Business Occupations and Professions Article, §§16-101(r), 16-216, 16-220 and 16-5A-03, Annotated Code of Maryland

##### **.02 Supervising Appraisers.**

A. (text unchanged)

(1) (text unchanged)

(2) May not have been subject to any disciplinary action within the immediately preceding [2] 3 years; and

(3) Shall have held a certified residential or certified general real estate appraisal license for at least [2] 3 years.

B. (text unchanged)

C. *A supervising appraiser must complete a Commission-approved course that, at a minimum, complies with the specifications for course content established by the AQB and is oriented toward the requirements, expectations and responsibilities of supervisory appraisers.*

GEORGE FAIR

Chairman

Commission of Real Estate Appraisers, Appraisal Management  
Companies and Home Inspectors