

MARYLAND REGISTER

## Proposed Action on Regulations

### Comparison to Federal Standards Submission and Response

**Name:** Jessica V Carter  
**Agency:** Department of Labor, Licensing, and Regulation  
**Address:** 500 N. Calvert Street, Suite 406  
**State:** MD  
**Zip:** 21202  
**Phone:** 410-230-6112  
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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:** 09.19.08.02

**Corresponding Federal Standard:**

The Appraisal Subcommittee ("ASC"), which monitors the real estate appraiser licensing programs of every state, by ASC POLICY STATEMENT 5, required that all states adopt a policy to implement the requirement that states reciprocate real estate appraiser licensing credentials equally. This policy provides that Title XI contemplates the reasonably free movement of certified and licensed appraisers across State lines and that beginning July 1, 2013, the ASC will monitor Programs for compliance with the reciprocity provision of Title XI as amended by the Dodd-Frank Act. See also, Title XI of FIRREA, Real Estate Appraisal Reform [12 U.S.C. §§ 3331-3355] as amended by the Dodd-Frank Act.

**Discussion/Justification:**

The Appraisal Subcommittee ("ASC") which has the authority to monitor and oversee the real estate appraiser licensing programs of every state requires that each state reciprocate licensing credentials equally. the failure to comply with such requirements could jeopardize a state licensing program and, consequently, the livelihood of its citizens.

### TO BE COMPLETED BY DBED

- Agree

-Disagree

**Comments:**

Commerce does not have the subject matter expertise in this area. Commerce believes that the Department of Labor, Licensing and Regulation does have the necessary subject matter expertise and thus trusts their assertion that the proposed regulation is not more restrictive or stringent than corresponding federal standards.

Name: Jennifer Cox

Date: 4/20/2016

\_ -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>
	04/21/2016	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

**1. Desired date of publication in Maryland Register: 5/27/2016**

**2. COMAR Codification**

**Title Subtitle Chapter Regulation**

09 19 08 02

**3. Name of Promulgating Authority**

Department of Labor, Licensing, and Regulation

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

Jessica V Carter 410-230-6112

**Mailing Address**

500 N. Calvert Street, Suite 406

**City State Zip Code**  
Baltimore MD 21202

**Email**

jessica.carter1@maryland.gov

**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: April 18, 2016.

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 General Provisions Article, §3-302(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 Kinstler, Assistant Attorney General, (telephone #410-203-6119) on April 18, 2016. 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 15, 2016

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

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

**09.19.08 Temporary Permits and Reciprocity**

Authority: Business Occupations and Professions Article, §§16-216, 16-220, 16-305  
and 16-507 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 Reciprocal Licenses and Certificates under COMAR 09.19.08 Temporary Permits and Reciprocity.

This action was considered at a public meeting of the Commission held on April 12, 2016, notice of which was given in 43:7 Md. R 486 (April 1, 2016), pursuant to General Provisions Article, §3-302, Annotated Code of Maryland.

**Statement of Purpose**

The purpose of this action is to amend Regulation .02 under COMAR 09.19.08 Temporary Permits and Reciprocity to comply with a change to Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (Title XI) affecting reciprocal licensing for real estate appraisers and as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. This action eliminates language restricting reciprocal licensing to states that reciprocate equally with Maryland licensees and makes the requirements for reciprocal licensing set forth in the regulation consistent with Maryland statutory requirements and federal requirements.

**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**

The proposed action has no economic impact.

**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 June 30, 2016. 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 9, 2016, at 500 N. Calvert Street, Baltimore, MD 21202.

## **Economic Impact Statement Part C**

A. Fiscal Year in which regulations will become effective: FY 17

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 the proposed action.

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

The proposed action amends regulatory language in order to comply with federal requirements and remain consistent with statutory language, requiring less vigorous procedures for an appraiser to obtain a reciprocal license or certificate.

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 proposed action has no economic impact on small businesses. The proposed action is to amend statutory language in order to comply with federal requirements, requiring less vigorous procedures for appraisers to obtain reciprocal licenses. The proposed action is to amend language so that it is consistent with the Commission's existing statute as it relates to the issuance of reciprocal licenses.

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.

### Small Business Analysis Worksheet

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 licensed and certified real estate appraisers in other jurisdictions who wish to obtain reciprocal licenses in Maryland.

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 may have a larger pool of qualified appraisers from which to select to 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?

This proposed action may allow small appraisal businesses to expand appraisal services into Maryland. While there is no shortage of qualified appraisers in Maryland, the lending industry and other users of appraisal services may have a larger pool of

appraisers from which to select to perform appraisal services.

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.) There is no expected adverse impact on businesses.

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? The proposed action is not likely to make a material impact on businesses.

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?

There are no expected long-term economic impacts.

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.

(1) There is no effect on the cost of providing goods and services. (2) There may be an increase in the number of real estate appraisers practicing real estate appraisal services in Maryland. (3) There is no effect on the cost of housing. (4) There is no effect on the efficiency in production and marketing. (5) There is no effect on capital investment, taxation, competition or economic development. (6) There may be a nominal effect on consumer choice.

## **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 08 Temporary Permits and Reciprocity**

Authority: Business Occupations and Professions Article, §§16-216, 16-220, 16-305 and 16-507, Annotated Code of Maryland

##### **.02 Reciprocal Licenses and Certificates.**

A. The Commission may waive the examination requirement and issue a reciprocal license or certificate to an individual, if the individual:

(1) Holds [an active] *a valid* license or a certificate [in good standing] in another state;

(2) Became licensed or certified in the other state after meeting, in that state, licensing or certification requirements which are substantially equivalent to *or exceed* the Maryland requirements for an equivalent license or certificate;

(3) [Meets the qualifications otherwise required for licensing or certification] *Is certified by a state that is in compliance with Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as determined by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council;*

(4) Files an application for a reciprocal license or certificate and, if the applicant is a nonresident, executes an irrevocable consent to service of process specifying that service of process on the Secretary of State is binding on the applicant in any legal action concerning the provision of appraisal services; and

(5) Pays the fee required by COMAR 09.19.07.01D.

[B. The Commission may issue a reciprocal license or certificate under this regulation only if the state in the applicant is certified or licensed waives the examination requirement to the same extent for applicants from this State who apply for a reciprocal license or certificate in that state.]

STEVEN O'FARRELL  
Chairman  
Commission of Real Estate Appraisers, Appraisal Management  
Companies and Home Inspectors