



June 2, 2014

Office of the Comptroller of the Currency
Legislative and Regulatory Activities Division
400 7th Street, SW
Mail Stop 9W-11
Washington, DC 20219

Gerald Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

RE: Docket ID OCC-2014-002

RE: RIN 3133-AE22

Robert Dev. Frierson, Secretary
Board of Governors
Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Monica Jackson
Office of the Executive Secretary
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, DC 20552

RE: Docket No. R-1486

RE: Docket No. CFPB-2014-0006

Robert E. Feldman, Executive Secretary
Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Alfred Pollard, General Counsel
Federal Housing Finance Agency
Eighth Floor
400 Seventh Street, SW
Washington, DC 200024

RE: RIN 3064-AE10

RE: RIN 2590-AA61

RE: Minimum Requirements for Appraisal Management Companies

Dear Agencies,

We are writing today to raise our concerns about one aspect of the Proposed Rule establishing Minimum Requirements for Appraisal Management Companies – the use of appraisal trainees in the completion of appraisal assignments.

MBREA|The Association for Valuation Professionals is a non-profit association representing the interests of real estate appraisers in the New England states. Founded in 1934, MBREA is nationally recognized and a longtime professional appraisal organization sponsor of the Appraisal Foundation where our members have served in a variety of leadership roles.

THE ISSUE

The profession is losing appraisers faster than new appraisers are being brought on board. The proposed rule will lead to further restrictions on the use of trainees – individuals entering the profession -- in the completion of appraisal assignments.

1. A primary factor that is limiting the number of new appraisers is the lack of opportunities for trainees to obtain experience hours necessary for licensure. (2,500 hours of experience are necessary to qualify for the Certified residential credential.)
2. The primary reason for insufficient training opportunities is the overly restrictive guidelines that have been adopted by lenders requiring Certified appraisers to inspect all properties.
3. Lender guidelines about the use of trainees are more restrictive than guidelines of Fannie Mae, Freddie Mac and the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), which allow for trainees to perform up to 100% of the assignment based upon experience.

THE PROPOSED RULE AND TRAINEES

The Dodd-Frank Act requires Appraisal Management Companies (AMCs) to verify that only state Certified or state Licensed appraisers are on their panels of appraisers (for an example of the requirement see OCC § 34-213 (b)(2)). On the surface this appears to be a straight forward requirement. However, with a high degree of certainty, we can predict that AMCs and lenders will interpret this language to definitively preclude the use of trainees in the completion of appraisal assignments.

THE SOLUTION

We recommend the addition of language, either to the rule itself, or to the Supplementary Information to bring the reader's attention to Sec. 1122(e) of FIRREA. Specifically, we would urge reference to, and the inclusion of, the following sentence from Sec. 1122(e):

"An individual who is not a State certified or licensed appraiser may assist in the preparation of an appraisal if –

1. the assistant is under the direct supervision of a licensed or certified individual; and
2. the final appraisal document is approved and signed by an individual who is certified or licensed."

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CONCLUSION

The current wording of the proposed rule will, in all likelihood, compound an already restrictive environment for the use of appraisal trainees. The need for clear, concise language that minimizes the chance of a subjective interpretation on the use of trainees in the completion of appraisal assignments would greatly enhance their opportunities to meet the experience requirement.

The MBREA appreciates the opportunity to submit comments about the proposed rule. We ask that the issue addressed in this letter be given full consideration and the suggested additional language be added to the proposed rule.

We are available to discuss our concern with you. Please feel free to contact me by telephone or email (steve@mbrea.org) with any questions.

Sincerely,



Stephen E. Sousa

Executive Vice President