



May 30, 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,

MBREA|The Association for Valuation Professionals (MBREA) 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 long-time professional appraisal organization sponsor of The Appraisal Foundation where our members have served in a variety of leadership roles.

The MBREA is pleased to respond to questions 1 through 7. Upon reflection, we believe questions 8, 9, 10 and 11 are best answered by the licensing entities responsible for implementing the proposed rule. In addition to our answers to the seven questions, The MBREA is addressing an issue we identified in the Supplementary Information concerning the appropriate level of registration fees to be paid by AMCs to obtain a license.

Question 1. *The Agencies request comment on all aspects of the proposed definition of AMC.*

MBREA is in agreement with the proposed definition of AMC.

Question 2. *The Agencies request comment on the proposed definition of “appraiser network or panel” and on the alternative of defining this term to include employees as well as independent contractors. The Agencies also request comment on whether the term “independent contractor” should be defined, and if so why and how, including whether it should be defined based upon Federal law (e.g., using the standards issued by the Internal Revenue Service or standards adopted in other Federal regulations, such as those issued under the Secure and Fair Enforcement for Mortgage Licensing Act (S.A.F.E. Act) or left to State law (so as to be consistent with existing AMC laws).*

The MBREA agrees with the proposed rule’s definition of an appraiser network or panel as consisting of appraisers engaged as independent contractors.

Massachusetts is one state among many that has a unique statute for the determination of independent contractor status. Relying upon state definitions means that there will be a significantly inconsistent approach to how the rule will be interpreted and applied. For this reason, and for the purpose of this rule, the MBREA believes the rule should specifically cite a Federal law definition of independent contractor.

Question 3. *The Agencies request comment on the distinction the Agencies have drawn between employees and independent contractors as a basis for exclusion of appraisal firms from the definition of an AMC.*

The MBREA agrees with the proposed rule’s distinction between independent contractors and employees as a basis for exclusion of appraisal firms from the rule.

Question 4. *The Agencies request comment on whether references to the NCUA and insured credit unions should be removed from the definition of ‘Federally regulated AMC’ and other parts of the final regulation to clarify that AMC CUSOs are subject to State registration and supervision.*

The MBREA believes removing the references to the NCUA and CUSOs will provide for a clearer understanding of the proposed rule.

Question 5. *The Agencies request comment on the proposed definition of “secondary mortgage market participant.” Are the types of entities cited in the proposed definition appropriately included in this context? Should any other types of entities be expressly included or excluded from this definition, for the sake of clarity? Should any other types of entities be considered “an underwriter or other principal in the secondary mortgage markets” for the purpose of the definition of AMC in the Dodd-Frank Act?*

The MBREA has no opinion on the definition of secondary mortgage market participant.

Question 6. *The Agencies request comment on the proposed minimum requirements for State registration and supervision of AMCs.*

The MBREA urges the drafters to provide further clarification of the phrase “a given year.” Our recommendation is to include in the Supplementary Information one or more hypothetical scenarios of an appraiser joining and leaving a panel.

Question 7. *The Agencies request comment on the proposed approach to the appraisal review issue.*

The MBREA agrees with the Agencies’ determination that the appraisal review issue should be addressed in a separate rule.

Additional comment relative to state registration fees:

In the Supplementary Information (page 19532 of the April 9, 2014 Federal Register), the Bureau embarks on a discussion of what it perceives as an appropriate amount of a fee that states should assess AMCs for the purpose of registration.

We believe each licensing entity should be free to determine, without undue influence by the Agencies, the amount of fee each licensee should be assessed for the privilege of conducting business in the state. The Bureau’s statement that, *“The Bureau believes the fee charged by Vermont -- \$125 for registration and \$250 for annual renewal – would be sufficient to comply with the proposed rule”* creates the strong impression that a fee in excess of Vermont’s would be in conflict to the proposed rule.

The fee to obtain a license should be determinable by each jurisdiction based upon its assessment of the cost to implement the rule, process and approve (or disapprove) applications for licensure, renewal of licenses, and enforcement of the provisions of the proposed rule and the applicable laws and regulations of the state. These costs may reasonably be expected to vary from state to state. For one example, personnel costs in Boston are significantly greater than those in Montpelier, VT, Raleigh, NC or Austin, TX. Variations in costs necessitate preserving flexibility – the freedom -- for states to determine what an appropriate fee for registration should be.

We believe the Bureau has to rewrite the section contained in the Supplementary Information that discusses state registration fees. All references to a specific dollar amount or state as an example should be removed. To do otherwise establishes a de facto registration fee ceiling that a state must comply with.

Thank you for your consideration of our comments and we are available to answer any questions.

Sincerely,



Stephen E. Sousa
Executive Vice President