

Report From Agency

**STATE OF WISCONSIN
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES**

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IN THE MATTER OF RULE-MAKING :
PROCEEDINGS BEFORE THE : **REPORT TO THE LEGISLATURE**
DEPARTMENT OF SAFETY AND : **CR 13-053**
PROFESSIONAL SERVICES :
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I. THE PROPOSED RULE:

The proposed rule, including the analysis and text, are attached.

II. REFERENCE TO APPLICABLE FORMS:

None.

III. FISCAL ESTIMATE AND EIA:

The Fiscal Estimate and EIA are attached.

IV. DETAILED STATEMENT EXPLAINING THE BASIS AND PURPOSE OF THE PROPOSED RULE, INCLUDING HOW THE PROPOSED RULE ADVANCES RELEVANT STATUTORY GOALS OR PURPOSES:

Both state and federal legislation oversee the process for granting real estate appraiser reciprocal credentials. State regulations, found in s. SPS 80-87 are required to mirror the federal regulations governing this topic, specifically the Financial Institutions Reform Recovery Act of 1989, (FIRREA) as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank). The Appraisal Subcommittee (ASC) is an organization established by FIRREA to monitor state regulations of licensed appraisers and reviews each state's compliance with federal regulations. Federal legislation requires states to issue a reciprocal credential if: the appraiser is coming from a state that is deemed in compliance by the ASC and the appraiser holds a valid credential from that state that meet or exceed those of the reciprocal credentialing state. Federal policy encourages states to put in place reciprocity requirements that do not impose additional barriers to the issuance of credentials.

The proposed rule seeks to carry out the federal mandate by repealing s. SPS 81.04 (1) (c) 3. and 4. that required applicants to submit evidence of appraisal experience that had been reviewed for compliance with Uniform Standards of Professional Appraisal Practice (USPAP). The rule also amends s. SPS 81.04 (2) by clarifying that applicants from other

states seeking reciprocity in Wisconsin need only have met requirements that meet or exceed the requirements for a credential in this state.

V. SUMMARY OF PUBLIC COMMENTS AND THE BOARD'S RESPONSES, EXPLANATION OF MODIFICATIONS TO PROPOSED RULES PROMPTED BY PUBLIC COMMENTS:

The Department held a public hearing on August 12, 2013. No one testified at the hearing, or submitted written comments.

VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:

Comment: 5. In SECTION 2 of the proposed rule, the term “current” is inserted. It is unclear what is meant by “current requirements”. For example, what timeframe is to be used to determine whether a requirement is current? It appears this refers to the other state’s requirements at the time that the applicant for reciprocal licensure or certification submitted his or her application to the Wisconsin Real Estate Appraisers Board. The federal law does not refer to the other state’s “current requirements” but rather focuses on whether the applicant for reciprocal licensure or certification holds a valid certification from the other state. [12 U.S.C. s. 3351 (b) (2).] Could the department clarify its intent by revising the last sentence of s. SPS 81.04 (2) rather than deleting it entirely?

Response: Currently, the language in s. 81.04 (2) requires a comparison to determine whether reciprocity applicants from another state have requirements for a credential that are substantially equivalent to Wisconsin’s requirements. The comparison was to be based on the requirements that were in effect at the time the applicant was granted a credential by the other state rather than at the time the applicant filed for a credential in this state. After the promulgation of Dodd-Frank, that comparison is no longer necessary as long as the appraiser meets the current requirements of their state and is in good standing. The term “current requirements” as used here means the requirements that are in place in the state where the applicant is coming from at the time the applicant applies for licensure in Wisconsin. By adding current and striking the last sentence, the provision clearly intends that the current requirements for applicants from another state must meet or exceed the current requirements in Wisconsin.

The remaining recommendations suggested in the Clearinghouse Report have been accepted.

VII. REPORT FROM THE SBRRB AND FINAL REGULATORY FLEXIBILITY ANALYSIS:

None.