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Mandatory licensing for real estate appraisers, good for MA - by Susan Mitchell

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Susan Mitchell, MBREA

As I write this column, the Massachusetts legislature is considering a bill that would require anyone who performs a real estate appraisal to hold a valid appraiser license or certification.

Senate Bill 2246 was engrossed by the Massachusetts Senate on January 18, 2018 and is now under review by the Massachusetts House of Representatives. For those who are not familiar with Senate Bill 2246, the bill would amend the Massachusetts appraisal licensing statute to require that any person completing an appraisal or appraisal report for a fee or other consideration relating to real estate or real property within Massachusetts have a real estate appraisal license or certification. The bill maintains the specific exclusions to licensing as currently exist under Section 174B of the current licensing statute.

As a licensed Certified General Real Estate Appraiser since 1992, I fully support this bill and believe that it is good for both consumers and licensed and certified appraisers.

Why do I support this legislation? I'll explain...At present, except for federally related transactions such as some mortgages, the current licensing statute permits unlicensed individuals to conduct real estate appraisal services. Any person -- without having to meet any standards for licensing, education, and experience -- is able to offer valuations for estate settlements, divorces, litigation, etc.

This exposes consumers to significant risk as an individual who is not licensed or certified by the Commonwealth operates outside of any regulatory oversight and lacks accountability to any standards or authority. Some secondary users of appraisals and appraisal reports, such as Medicare and MassHealth, require that an appraisal be completed by only a licensed or certified appraiser. A consumer who, in good faith, engages a non-licensed or certified appraiser to complete an assignment could then find themselves with a product that is useless.

Just think about that for a moment...it is very scary. Nothing is currently in place to assure consumers that they are engaging a highly qualified and credentialed professional to value one of their higher value assets!

Since 1992 I have maintained my license in good standing by completing mandatory continuing education of 28 hours over the biannual license-length, including the 7-hours of study of the Uniform Standards of Professional Appraisal Practice. This requirement keeps me up-to-date on emerging fields of study, techniques and standards. I believe this makes me a better appraiser, engaged in my professional field. Would that be the case if all continuing education was strictly voluntary?

The MBREA, and its 500 credentialed professional appraiser members, strongly supports this bill as an important piece of consumer protection legislation. We believe Massachusetts should join the ranks of 38 appraiser licensing jurisdictions by enacting a requirement that all real estate appraisals be completed by properly credentialed professional appraisers.

Susan Mitchell, RA, is the 2018 president of MBREA, and is the sole proprietor of Susan L. Mitchell, RA Real Estate Appraiser, North Attleboro, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540