

STATE OF WISCONSIN
DEPARTMENT OF REGULATION AND LICENSING

IN THE MATTER OF RULE-MAKING : ORDER OF THE
PROCEEDINGS BEFORE THE : DEPARTMENT OF REGULATION AND
DEPARTMENT OF REGULATION : LICENSING ADOPTING RULES
AND LICENSING : (CLEARINGHOUSE RULE 04-120)

ORDER

An order of the Department of Regulation and Licensing to repeal and recreate ch. RL 87, Appendix I, relating to the 2005 edition of the Uniform Standards of Professional Appraisal Practice (USPAP).

Analysis prepared by the Department of Regulation and Licensing.

ANALYSIS

Statute interpreted:

Sections 458.24 and 458.26 (3) (b), Stats.

Statutory authority:

Sections 227.11 (2) and 458.24, Stats.

Related statute or rule:

There are no related statutes or rules other than those listed above.

Plain language analysis:

In this proposed rule-making order the Department of Regulation and Licensing proposes to repeal and recreate ch. RL 87, Appendix I, which incorporates by reference the 2004 edition of the Uniform Standards of Professional Appraisal Practice (USPAP).

SECTION 1. The department proposes to repeal ch. RL 87, Appendix I, which incorporates by reference the 2004 edition of the USPAP and recreate it to incorporate by reference the 2005 edition of the USPAP.

As required under s. 227.21, Stats., the department has obtained the consent of the attorney general and revisor of statutes to the incorporation of the 2005 edition of USPAP into the rules by reference.

Summary of, and comparison with, existing or proposed federal regulation:

The Federal Reform, Recovery, and Enforcement Act (“FIRREA”), 12 U.S.C. 3331 et seq., (Title XI) was enacted in 1989. Under FIRREA, insured financial institutions and insured credit unions are required to obtain the services of a state certified or licensed appraiser for appraisals conducted in connection with “federally related transactions.”

The Appraisal Subcommittee of the Federal Financial Institutions Examination Council is authorized under FIRREA to monitor the requirements established by states for the certification and licensing of individuals who are qualified to perform appraisals in connection with federally related transactions. *21 USC 3333; Appraisal Subcommittee – Policy Statements Regarding State Certification and Licensing of Appraisers.*

Under FIRREA, real estate appraisals performed in connection with federally related transactions are required to be performed in accordance with generally accepted appraisal standards as evidenced by the appraisal standards promulgated by the Appraisal Standards Board (ASB) of the Appraisal Foundation. *21 USC 3339; Appraisal Subcommittee – Policy Statements Regarding State Certification and Licensing of Appraisers, Statement 3.*

The appraisal standards promulgated by the ASB are contained in the Uniform Standards of Professional Appraisal Practice (USPAP) and are available on the Appraisal Foundation’s website at: <http://www.appraisalfoundation.org>.

Comparison with rules in adjacent states:

Under FIRREA, all states, including Illinois, Iowa, Michigan and Minnesota , must assure that certified appraisers comply with the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board. In Wisconsin, USPAP has been incorporated by reference in Appendix I to ch. RL 87, Code. See also, s. 458.24, Stats.

Anticipated costs incurred by private sector:

The department has determined that this rule will have no significant fiscal effect on the private sector.

Fiscal estimate:

This proposed rule will have no impact on the department’s funds.

Effect on small business:

These proposed rules will have no significant economic impact on a substantial number of small businesses, as defined in s. 227.114 (1) (a), Stats.

Agency contact person:

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TEXT OF RULE

SECTION 1. Ch. RL 87, Appendix I is repealed and recreated to read:

APPENDIX I

UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE

The 2005 edition of the Uniform Standards of Professional Appraisal Practice (USPAP) is hereby incorporated by reference into this Appendix. The 2005 edition of USPAP is effective January 1, 2005 to December 31, 2005.

After January 1, 2005, copies of the 2005 edition of USPAP may be purchased from the Appraisal Standards Board of the Appraisal Foundation, 1029 Vermont Avenue, N.W., Suite 900, Washington, D.C. 20005-3517, and (202) 347-7722. After January 1, 2005, copies of the 2005 edition of USPAP may also be obtained, at no charge, from the Appraisal Foundation's website at <http://www.appraisalfoundation.org>.

Note: As required under s. 227.21, Stats., the attorney general and revisor of statutes have consented to the incorporation by reference of the 2005 edition of the Uniform Standards of Professional Appraisal Practice. After January 1, 2005, copies of the 2005 edition of the USPAP will be on file in the offices of the department, the secretary of state and the revisor of statutes.

(END OF TEXT OF RULE)

The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin administrative register pursuant to s. 227.22 (2) (intro.), Stats.

Dated _____

Agency _____

Sandra M. Rowe, Deputy Secretary
Department of Regulation and Licensing