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Appraisal Subcommittee
Federal Financial Institutions Examination Council

September 13, 2019

David Derry, Chair
Board of Certified Real Estate Appraisers
Division of Corporations, Business and Professional Licensing
Department of Commerce, Community, and Economic Development
333 Willoughby Avenue, 9th Floor
Juneau, AK 99801

RE: ASC Compliance Review of Alaska's Appraiser Regulatory Program

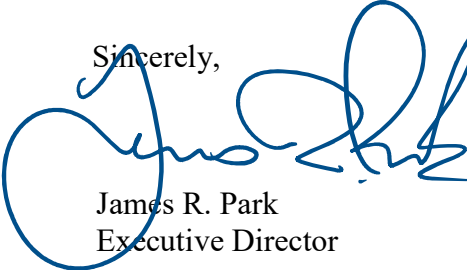
Dear Mr. Derry:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Alaska appraiser regulatory program (Appraiser Program) on July 29 – August 2, 2019, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program has been awarded an ASC Finding of "Good." Areas of concern that were identified are being addressed by the Appraiser Program. Alaska will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) of the Alaska Appraiser Program is attached.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



James R. Park
Executive Director

Attachment

cc: Ms. Sara Chambers, Division Director
Mr. Joseph Bonnell, Records and Licensing Supervisor
Mr. Allen Alcancia, Licensing Examiner

ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> • State meets all Title XI mandates and complies with requirements of ASC Policy Statements • State maintains a strong regulatory Program • Very low risk of Program failure 	2-year
Good	<ul style="list-style-type: none"> • State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements • Deficiencies are minor in nature • State is adequately addressing deficiencies identified and correcting them in the normal course of business • State maintains an effective regulatory Program • Low risk of Program failure 	2-year
Needs Improvement	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program • State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies • State regulatory Program needs improvement • Moderate risk of Program failure 	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program • State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing • State regulatory Program has substantial deficiencies • Substantial risk of Program failure 	1-year
Poor ¹	<ul style="list-style-type: none"> • State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements • Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program • State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies • High risk of Program failure 	Continuous monitoring

*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

¹ An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.

ASC State Appraiser Program Compliance Review Report

ASC Finding: Good
Final Report Issue Date: September 13, 2019

Alaska Appraiser Regulatory Program (State)					
Alaska Board of Certified Real Estate Appraisers (Board)		PM: C. Brooks		ASC Compliance Review Date: July 29 – August 2, 2019	
Umbrella Agency: Division of Corporations Business and Professional Licensing			Number of State Credentialed Appraisers on Appraiser Registry: 235		Review Period: July 2017 to July 2019
					Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:	X			No compliance issues noted.	N/A	None	None
Temporary Practice:	X			No compliance issues noted.	N/A	None	None
National Registry:			X				
States must ensure the accuracy of all data submitted to the Appraiser Registry. (12 U.S.C. § 3347; Policy Statement 3 A, D, E.)				When processing renewals, effective dates on 4 entries in the Appraiser Registry were entered incorrectly and not corrected until it was brought to the State's attention by ASC staff.	On June 30, 2019, the State reported new procedures to validate the information added to the Appraiser Registry. In addition, on August 28, 2019, the State outlined new procedures for the next renewal to further reduce the chance of errors.	The State should monitor the new procedures for entering data on the Appraiser Registry to ensure compliance with ASC Policy Statement 3.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
Application Process:			X				
States must implement a reliable validation procedure for affidavits accepted for continuing education credit claimed for credential renewal. (12 U.S.C. § 3347; Policy Statement 4 C 2.)				The State did not include Trainees in the post renewal audit of CE affidavits after the 2017 renewal.	On August 28, 2019, the State reported new procedures for CE audits that will ensure a sampling of all license types. In addition, the State will begin procedures to codify in regulation a method of pulling 10% of each license type.	The State should continue the process to amend the regulations to reflect its new procedures for CE audits.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4.
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:	X			No compliance issues noted.	N/A	None	None