

June 5, 2024

**Via Email**

Gregory Thornquist, Board Chairperson  
Montana Board of Real Estate Appraisers  
P O Box 200513  
Helena, MT 59620-0513  
[Greg@elkhornappraisal.com](mailto:Greg@elkhornappraisal.com)

RE: ASC Compliance Review of Montana's Appraisal Management Company (AMC) Regulatory Program

Dear Gregory Thornquist:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Montana AMC regulatory program (AMC Program) on March 5-7, 2024, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

The ASC considered the preliminary results of the Review and the State's response to those results. The AMC Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) is attached.

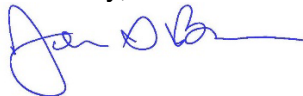
The ASC identified the following area of non-compliance:

- States must enforce and document ownership limitations for State-registered AMCs.<sup>1</sup>

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Montana will remain on a two-year Review Cycle.

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,



John S. Brenan  
Acting Executive Director

**Attachment**

cc: Patricia Renenger, Executive Officer, [Patricia.Renenger@mt.gov](mailto:Patricia.Renenger@mt.gov),  
Sharon Peterson, Section Supervisor, [SPeterson@mt.gov](mailto:SPeterson@mt.gov), and  
Eric Strauss, Division Administrator, [EStrauss@mt.gov](mailto:EStrauss@mt.gov)

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<sup>1</sup> Title XI § 1124, 12 U.S.C. § 3353; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

## ASC Finding Descriptions

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

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

\*\*An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 12, Interim Sanctions.



## ASC State AMC Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: June 5, 2024

<b>Montana AMC Regulatory Program (State)</b>			
<b>Montana Board of Real Estate Appraisers (Board)</b>	PM: N. Fenochietti	ASC Compliance Review Date: March 5-7, 2024	Review Period: September 2022 - March 2024
<b>Umbrella Agency: Montana Department of Labor &amp; Industry</b>		Number of AMCs on AMC Registry: 68	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				
<b>Statutes, Regulations, Policies and Procedures:</b>		X					
States must enforce and document ownership limitations for State-registered AMCs. (Title XI § 1124, 12 U.S.C. § 3353; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.)				The AMC Rule requires that a State may not register an AMC if an owner had an appraiser credential refused, denied, cancelled, surrendered in lieu of revocation, or revoked for substantive cause, regardless of whether it has been reinstated. The State's statute provides that an AMC may be registered with an owner whose appraiser credential was revoked if the credential has been reinstated without consideration of substantive cause.	The Board is drafting a bill to bring its statutory AMC ownership requirements into compliance with Federal AMC ownership requirements. The next legislative session begins January 2025.	The State must continue the process to amend its statute to bring them into compliance with AQB Criteria, and provide ASC staff with a copy once finalized.	None
<b>National Registry:</b>	X						
				No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>	X						
				No compliance issues noted.	N/A	None	None