

November 22, 2024

**Via Email**

Amy Hall, Board Director  
Real Estate Appraiser Licensure and Certification Board  
Professional Licensing Agency  
Indiana Government Center South, Room WO72  
402 W. Washington St.  
Indianapolis, IN 46204  
[AHall1@pla.in.gov](mailto:AHall1@pla.in.gov)

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

Dear Amy Hall:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Indiana AMC regulatory program (AMC Program) on April 25-27, 2023, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.<sup>1</sup>

The ASC considered the preliminary results of the Review and the State's response to those results. The AMC Program is given an ASC Finding of "Not Satisfactory." The final ASC Compliance Review Report (Report) of the Indiana AMC Program is attached.

The ASC identified the following area(s) of non-compliance:

- States must establish and maintain an AMC Program with the legal authority and mechanisms to report an AMC's violation of appraisal-related laws, regulations, or orders, as well as disciplinary and enforcement actions and other relevant information about an AMC's operations, to the ASC;<sup>2</sup>
- States shall not require an appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency to register with a State;<sup>3</sup>
- States must have the authority to collect and transmit to the Appraisal Subcommittee annual registry fees from an appraisal management company that either has registered

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<sup>1</sup> 12 U.S.C. §§ 3331-3356.

<sup>2</sup> Title XI § 1109(a)(3), 12 U.S.C. § 3338(a)(3); 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.

<sup>3</sup> Title XI § 1124(c), 12 U.S.C. § 3353(c); Policy Statement 8.

with a State appraiser certifying and licensing agency or operates as a subsidiary of a federally regulated financial institution;<sup>4</sup>

- States must enforce and document ownership limitations for State-registered AMCs;<sup>5</sup>
- States that have a more expansive definition of AMCs than in the AMC Rule must ensure such non-Federally recognized AMCs are identified as such in the State database;<sup>6</sup>
- States must have funding and staffing sufficient to carry out their Title XI-related duties;<sup>7</sup>
- States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect the registry fee;<sup>8</sup>
- States must collect an annual registry fee from an appraisal management company that either has registered with a State or operates as a subsidiary of a federally regulated financial institution;<sup>9</sup> and
- States are required to ensure that the authorization information provided to the ASC is updated and accurate.<sup>10</sup>

ASC staff will confirm appropriate corrective actions have been taken during the next Review. Indiana will be moved to a one-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,



Zixta Q. Martinez  
ASC Chair

Attachment

cc: Wayne Johnson, Chair, via email to [AHall1@pla.in.gov](mailto:AHall1@pla.in.gov)

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<sup>4</sup> Title XI § 1109(a)(4), 12 U.S.C. § 3338(a)(4); Policy Statement 9.

<sup>5</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.

<sup>6</sup> Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 8.

<sup>7</sup> Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 8.

<sup>8</sup> Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; 12 CFR 1102.403; Policy Statements 8 and 9.

<sup>9</sup> Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 1102.400 -1102.403; Policy Statement 9.

<sup>10</sup> Title XI §§ 1103 and 1118(a), 12 U.S.C. §§ 3332 and 3347(a); Policy Statement 9.

## 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 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.



**ASC State AMC Program Compliance Review Report**

ASC Finding: Not Satisfactory  
 Final Report Issue Date: November 22, 2024

<b>Indiana AMC Regulatory Program (State)</b>			
Indiana Real Estate Appraiser Licensure and Certification Board (Board)	PM: K. Klamet	ASC Compliance Review Date: April 25-27, 2023	Review Period: May 2021 - April 2023
Umbrella Agency: Indiana Professional Licensing Agency (IPLA)		Number of AMCs on AMC Registry: 97	Review Cycle: One 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 establish and maintain an AMC Program with the legal authority and mechanisms to report an AMC's violation of appraisal-related laws, regulations, or orders, as well as disciplinary and enforcement actions and other relevant information about an AMC's operations, to the ASC. (Title XI § 1109(a)(3), 12 U.S.C. § 3338(a)(3); 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 State does not have the authority to transmit reports to the ASC, including reports of investigations and disciplinary actions involving AMCs.	On August 31, 2023, the State reported that a statutory change has been requested.	The State must amend its statute to bring them into compliance, and provide ASC staff with a copy once finalized.	Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI, AMC Rule, and ASC Policy Statement 8.
<b>Statutes, Regulations, Policies and Procedures continued:</b>		X					
States shall not require an appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency to register with a State. (Title XI § 1124(c), 12 U.S.C. § 3353(c); Policy Statement 8.)				The State does not exempt federally regulated AMCs from the State registration requirement.	On August 31, 2023, the State reported that a statutory change has been requested.	The State must amend its statute to bring them into compliance, and provide ASC staff with a copy once finalized.	Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 8.
<b>Statutes, Regulations, Policies and Procedures continued:</b>		X					
States must have the authority to collect and transmit to the Appraisal Subcommittee annual registry fees from an appraisal management company that either has registered with a State appraiser certifying and licensing agency or operates as a subsidiary of a federally regulated financial institution. (Title XI § 1109(a)(4), 12 U.S.C. § 3338(a)(4); Policy Statement 9.)				The State does not have the authority to collect and transmit to the ASC annual registry fees from federally regulated AMCs.	On August 31, 2023, the State reported that a statutory change has been requested.	The State must amend its statutes to bring them into compliance, and provide ASC staff with a copy once finalized.	Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 9.



**ASC State AMC Program Compliance Review Report**

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Final Report Issue Date: November 22, 2024

**Indiana AMC Regulatory Program (State)**

Indiana Real Estate Appraiser Licensure and Certification Board (Board)	PM: K. Klamet	ASC Compliance Review Date: April 25-27, 2023	Review Period: May 2021 - April 2023
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Umbrella Agency: Indiana Professional Licensing Agency (IPLA)	Number of AMCs on AMC Registry: 97	Review Cycle: One Year
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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 continued:</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 State's statute incorrectly limits the requirement that no owner has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for a substantive cause to only those owners who have had a license or certificate revoked. The State's statute does not include refused, denied, cancelled, surrendered in lieu of revocation and does not include that the State must determine substantive cause.	On August 31, 2023, the State reported that a statutory change has been requested.	The State must amend its statutes to bring them into compliance, and provide ASC staff with a copy once finalized.	Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI, AMC Rule, and ASC Policy Statement 8.
<b>Statutes, Regulations, Policies and Procedures continued:</b>		X					
States that have a more expansive definition of AMCs than in the AMC Rule must ensure such non-Federally recognized AMCs are identified as such in the State database. (Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 8.)				The State failed to ensure non-federally recognized AMCs are identified as such in the State's database.	On August 31, 2023, the State reported that the database has been corrected and the renewal/application forms have been updated to ensure non-federally recognized AMCs are correctly identified.  At the same time, the State provided copies of the revised forms.	The State must ensure non-federally recognized AMCs are identified as such in the State's database.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 8.
<b>Statutes, Regulations, Policies and Procedures continued:</b>		X					
States must have funding and staffing sufficient to carry out their Title XI-related duties. (Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 8.)				Since 2019, the State has undergone a reorganization. All State positions assigned to the Appraiser Program changed. As a result, the State's Program staff are not familiar with their Title XI responsibilities.	The State's August 31, 2023, correspondence did not include a response addressing this area of non-compliance.	The State must provide ASC staff with a written plan, within 90 days of the date of this report, on how the State will achieve and maintain the necessary resources to perform its Title XI-related duties.	Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 8.
<b>National Registry:</b>		X					
States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect the registry fee. (Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; 12 CFR 1102.403; Policy Statements 8 and 9.)				The State failed to ensure State registered AMCs met the federal definition to be eligible to be on the AMC Registry.	The State's August 31, 2023, correspondence did not include a response addressing this area of non-compliance.	The State must provide ASC staff with a written plan, within 90 days of the date of this report, on how the State will ensure State registered AMCs meet the federal definition to be eligible to be on the AMC Registry.	Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI, AMC Rule, and ASC Policy Statements 8 and 9.



**ASC State AMC Program Compliance Review Report**

ASC Finding: Not Satisfactory

Final Report Issue Date: November 22, 2024

**Indiana AMC Regulatory Program (State)**

Indiana Real Estate Appraiser Licensure and Certification Board (Board)	PM: K. Klamet	ASC Compliance Review Date: April 25-27, 2023	Review Period: May 2021 - April 2023
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Umbrella Agency: Indiana Professional Licensing Agency (IPLA)	Number of AMCs on AMC Registry: 97	Review Cycle: One Year
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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>National Registry continued:</b>		X					
States must collect an annual registry fee from an appraisal management company that either has registered with a State or operates as a subsidiary of a federally regulated financial institution. (Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 1102.400 - 1102.403; Policy Statement 9)				The State does not correctly calculate the annual fee according to the AMC Registry Fee Rule.	On August 31, 2023, the State reported that the renewal application had been updated, with September 1 as the date for the annual fee.  At the same time, the State provided a copy of the revised renewal form.	The State must ensure the correct annual fee calculation is being applied for AMCs in accordance with the AMC Registry Fee Rule.	Through off-site monitoring, and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI, the AMC Registry Fee Rule, and ASC Policy Statement 9.
<b>National Registry continued:</b>		X					
States are required to ensure that the authorization information provided to the ASC is updated and accurate. (Title XI §§ 1103 and 1118 (a), 12 U.S.C. §§ 3332 and 3347(a); Policy Statement 9.)				The State failed to ensure that the authorization information for access to the AMC Registry was updated and accurate.	On August 31, 2023, the State reported that all authorization information is up-to-date.	The State must ensure that authorizations to the National Registry of AMC are current and accurate.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 9.
<b>Enforcement:</b>	X						
				No compliance issues noted.	None	None	None