

January 27, 2025

Via Email

Gregorio Q. Castro, Board Chairman
Board of Professional Licensing
P O Box 502078
Saipan, MP 96950
GCastro@pegssmp.com

RE: ASC Compliance Review of the Commonwealth of the Northern Mariana Islands' (CNMI)
Appraiser Regulatory Program

Dear Gregorio Castro:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the CNMI's appraiser regulatory program (Appraiser Program) on May 16-17, 2024, to determine the Appraiser Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.¹

The ASC considered the preliminary results of the Review. The State did not respond to the preliminary results. The Appraiser Program is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the CNMI's Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States must reconcile and pay registry invoices in a timely manner;²
- States must ensure the accuracy of all data submitted to the Appraiser Registry;³ and
- States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought.⁴

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

¹ 12 U.S.C. §§ 3331-3356.

² 12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 B.

³ 12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 A, D.

⁴ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.

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,

A handwritten signature in blue ink, appearing to read 'Zixta Q. Martinez', with a large flourish at the end.

Zixta Q. Martinez
Chair

Attachment

cc: Esther S. Fleming, Executive Director, EFleming@cnmilicensing.gov.mp

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**	<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.

** 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 Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement

Final Report Issue Date: January 27, 2025

CNMI Appraiser Regulatory Program (State)			
Board of Professional Licensing (Board)	PM: M. Brown	ASC Compliance Review Date: May 16-17, 2024	Review Period: July 2022 to April 2024
Umbrella Agency: Independent		Number of State Credentialed Appraisers on Appraiser Registry: 4	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 reconcile and pay registry invoices in a timely manner. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 B.)				The State had 3 unpaid Appraiser Registry invoices outstanding for more than 45 calendar days.	N/A	Within 60 days the State must develop a plan to ensure Appraiser Registry invoices are reconciled and paid in a timely manner and provide the ASC staff with quarterly updates on the progress of reconciling the delinquent invoices.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry Continued:		X					
States must ensure the accuracy of all data submitted to the Appraiser Registry. (12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 3 A, D.)				The State failed to ensure accuracy of all data submitted to the National Registry.	N/A	Within 60 days, the State must adopt written policies and procedures that ensure the accuracy of all data submitted to the National Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process:		X					
States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.)				The State issued 2 appraiser credentials without verifying the applicants met the AQB Criteria required continuing education (CE).	N/A	Within 60 days, the State must provide ASC staff sufficient documentation to show that the two appraisers met all the requisite CE; or that the State took appropriate action. Within 60 days, the State must adopt written policies and procedures that ensure applicants have completed all CE hours consistent with the AQB Criteria.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Reciprocity:	X						
				No compliance issues noted.	N/A	None	None



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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				
	X						
Education:	X			No compliance issues noted.	N/A	None	None
	X						
Enforcement:	X			No compliance issues noted.	N/A	None	None