

June 9, 2025

Via Email

Samuel V. Fuller, Associate Commissioner for Banking
Department of Insurance, Securities, and Banking
1050 First Street, NE, Suite 801
Washington, DC 20002
Samuel.Fuller@dc.gov

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

Dear Samuel Fuller:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the District of Columbia's AMC regulatory program (AMC Program) on March 25-27, 2025, to determine the AMC 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 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 areas of non-compliance:

- States must enforce and document ownership limitations for State-registered AMCs;²
- States must impose requirements on State-registered AMCs to provide written notice when removing appraisers from the appraiser panel consistent with the AMC Rule;³
- States must impose requirements on AMCs consistent with the AMC Rule;⁴ and
- Each State must review and renew or review and deny an AMC's registration periodically.⁵

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

¹ 12 U.S.C. §§ 3331-3356

² 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.

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.

⁴ 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.

⁵ 12 U.S.C. § 3347; 12 CFR § 34.213(a)(2); 12 CFR 225.193(a)(2); 12 CFR 323.11(a)(2); 12 CFR 1222.23(a)(2).

The final ASC Compliance Review Report (Report) of the District of Columbia's AMC 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,

A handwritten signature in black ink, appearing to read 'M. Ponzar', with a stylized flourish at the end.

Matt Ponzar
Acting Executive Director

Attachment

cc: Brittany Walton, Licensing Manager, Brittany.Walton@dc.gov

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 AMC Program Compliance Review Report

ASC Finding: Good
Final Report Issue Date: June 9, 2025

District of Columbia AMC Regulatory Program (State)			
N/A No Board	PM: T. Lewis	ASC Compliance Review Date: March 25-27, 2025	Review Period: March 2023 to March 2025
Umbrella Agency: DC Department of Insurance, Securities, and Banking		Number of AMCs on AMC Registry: 75	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					
States must enforce and document ownership limitations for State-registered AMCs. (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 AMC statutes do not set forth AMC registration limitations to all owners based on disciplinary action imposed in accordance with the AMC Rule.	On June 5, 2025, the State reported it would address this observation by making the required and suggested updates part of its Banking Code Modernization Project. The State went on to say that amending its regulations is a priority, as the legislation and regulations have been drafted with the revisions and are under review for approval. The State closed by noting that it anticipates that the revised legislation and regulations will be approved by the end of 2025.	The State must continue the process to amend its statutes to bring them into compliance with the AMC Rule and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Statutes, Regulations, Policies and Procedures (continued):		X					
States must impose requirements on State-registered AMCs to provide written notice when removing appraisers from the appraiser panel consistent with the AMC Rule. (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 allows regulated AMCs to remove an appraiser from its panel, without notice, within the first 90 days after the appraiser is first added to the appraiser panel, when there is no such grace period in the AMC Rule.	On June 5, 2025, the State reported it would address this observation by making the required and suggested updates part of its Banking Code Modernization Project. The State went on to say that amending its regulations is a priority, as the legislation and regulations have been drafted with the revisions and are under review for approval. The State closed by noting that it anticipates that the revised legislation and regulations will be approved by the end of 2025.	The State must continue the process to amend its statutes to bring them into compliance with the AMC Rule and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.




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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				
Statutes, Regulations, Policies and Procedures (continued):		X					
States must impose requirements on AMCs consistent with the AMC Rule. (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.)				State statute requires good moral character of only the designated controlling person. The AMC Rule requires AMC owners of more than 10% to be of good moral character.	On June 5, 2025, the State reported it would address this observation by making the required and suggested updates part of its Banking Code Modernization Project. The State went on to say that amending its regulations is a priority, as the legislation and regulations have been drafted with the revisions and are under review for approval. The State closed by noting that it anticipates that the revised legislation and regulations will be approved by the end of 2025.	The State must continue the process to amend its statutes to bring them into compliance with the AMC Rule and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Statutes, Regulations, Policies and Procedures (continued):		X					
Each State must review and renew or review and deny an AMC’s registration periodically. (12 U.S.C. § 3347; 12 CFR § 34.213(a)(2); 12 CFR 225.193(a)(2); 12 CFR 323.11(a)(2); 12 CFR 1222.23(a)(2)).				The State has not verified the registration renewal for 2 AMCs indicated as inactive on the AMC Registry but active in the State database.	On June 5, 2025, the State reported it will implement a process to prevent AMCs that have not submitted an annual AMC National Registry Report from renewing their state registration, eliminating non-compliant AMCs from remaining state registered.	Within 60 days, the State must provide a written copy of its process to appropriately qualify and process AMC annual renewals, to include the collection of all required data and how it will address AMC registrants that fail to submit the required annual information necessary to populate and requalify AMCs on the National Registry.	ASC staff will review the State's process to confirm compliance with Title XI and pay particular attention to this area during the next Compliance Review.

<div></div> <div>ASC State AMC Program Compliance Review Report</div>					ASC Finding: Good							
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Umbrella Agency: DC Department of Insurance, Securities, and Banking				Number of AMCs on AMC Registry: 75			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								
National Registry:		X										
States must reconcile and pay registry invoices in a timely manner (45 calendar days after receipt of the invoice). (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 9.)					The State had 1 unpaid AMC Registry invoice outstanding for more than 45 days.		On June 5, 2025, the State reported that the delayed payment related to a miscommunication between the accounting staff and ASC staff. During the period under review, the ACH information for the ASC had expired with the State, and it took several months for the account to be reactivated.		None		None	
Enforcement:		X										
					No compliance issues noted.		N/A		N/A		N/A	