

  
**Appraisal Subcommittee**  
*Federal Financial Institutions Examination Council*

December 3, 2018

Ms. Dori Davis, Chair  
Appraiser Certification and Licensure Board  
200 Hawthorne Avenue SE, Suite C-302  
Salem, OR 97301

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

Dear Ms. Davis:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Oregon appraiser regulatory program (Appraiser Program) on July 16-18, 2018, to determine the Appraiser 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 is given an ASC finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the Oregon Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States must have funding and staffing sufficient to carry out their Title XI-related duties;<sup>1</sup> and
- States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances.<sup>2</sup>

ASC staff will confirm appropriate corrective actions have been taken through off-site monitoring and during the next Review. Oregon 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,



Arthur Lindo  
Chairman

Attachment

cc: Ms. Gae Lynne Cooper, Administrator

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<sup>1</sup> 12 U.S.C. § 3347; Policy Statement 1 B.

<sup>2</sup> 12 U.S.C. § 3347; Policy Statement 7 B.

## 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 <sup>1</sup>	<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.

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<sup>1</sup> 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: Needs Improvement  
Final Report Issue Date: December 3, 2018

**Oregon Appraiser Regulatory Program (State)**

<b>State Board Title: Oregon Appraiser Certification and Licensure Board (Board)</b>	<b>PM: V. Metcalf</b>	<b>ASC Compliance Review Date: July 16-18, 2018</b>	<b>Review Period: July 2016 - July 2018</b>
<b>Umbrella Agency: Department of Administrative Services (Department) / Semi-Independent</b>		<b>Number of State Credentialed Appraisers on National Registry: 1,487</b>	<b>Review Cycle: Two Year</b>

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>			<b>X</b>				
States must require that appraisals be performed in accordance with the latest version of USPAP. (12 U.S.C. § 3331; 12 U.S.C. § 3347; Policy Statement 1 F.)				The State had not adopted the 2018-2019 edition of USPAP.	On October 11, 2018, the State responded that proposed amendments adopting USPAP should become final in November 2018.	The State should continue the process to amend its rule and develop a process that ensures timely adoption of each new version of USPAP.	During the next Compliance Review, ASC staff will pay attention to this area for compliance with Title XI and ASC Policy Statement 1.
<b>Statutes, Regulations, Policies and Procedures continued:</b>		<b>X</b>					
States must have funding and staffing sufficient to carry out their Title XI-related duties. (12 U.S.C. § 3347; Policy Statement 1 B.)				The State's lack of sufficient staff and legal resources resulted in the Program's failure to timely resolve complaints. Complaints assigned to the Assistant Attorney General often take more than a year to resolve.	On October 11, 2018, the State reported its efforts in providing resources to support the Programs Title XI related duties. They: (1) Sent the Assistant Attorney General to 3 Investigator Training courses; (2) Implemented a streamlined conditional dismissal process; and (3) Approved a second investigator position.	The State must continue to explore ways to achieve and maintain the necessary resources to perform their Title XI-related duties.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 1.
<b>Statutes, Regulations, Policies and Procedures continued:</b>			<b>X</b>				
States must, at a minimum, adopt and/or implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.)				While the regulations in §161-020-0150 establish that up to 50% of the required CE may be obtained via teaching, no such limitation is set forth in the regulations for program development, textbook authorship and other non-traditional activities.	On October 11, 2018, the State reported that its staff is drafting a proposed amendment to bring the regulation into compliance.	The State should continue the process to amend its rules to bring them into compliance with AQB Criteria and provide the ASC staff with a copy of the rules once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 1.

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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>Temporary Practice:</b>	X			No compliance issues noted.	N/A	None	None
<b>National Registry:</b>	X			No compliance issues noted.	N/A	None	None
<b>Application Process:</b>	X			No compliance issues noted.	N/A	None	None
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None
<b>Education:</b>	X			No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>		X		No compliance issues noted.	N/A	None	None
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)				The State had 66 outstanding complaints of which 22 were unresolved for more than 1 year and 9 were unresolved for more than 2 years, without the exemption for special documented circumstances.	On October 11, 2018, the State reported its efforts in improving the resolution of complaints. They: (1) Sent the Assistant Attorney General to 3 Investigator Training courses; (2) Implemented a streamlined conditional dismissal process; and (3) Approved a second investigator position.	The State must submit quarterly complaint logs to ASC staff. Staff will analyze each log. If progress is not made, the ASC may place additional requirements upon the State.	Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 7.