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Appraisal Subcommittee
Federal Financial Institutions Examination Council

December 16, 2019

Ms. Anne M. Petit, Superintendent
Division of Real Estate & Professional Licensing
Ohio Department of Commerce
77 South High Street, 20th Floor
Columbus, OH 43215

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

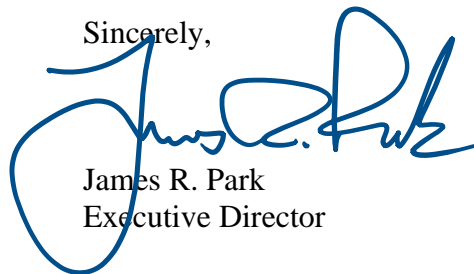
Dear Ms. Petit:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Ohio AMC regulatory program (AMC Program) on August 13-16, 2019, to determine the AMC 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 AMC Program has been awarded an ASC Finding of "Good." An area of concern that was identified is being addressed by the AMC Program. Ohio will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) of the Ohio 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,



James R. Park
Executive Director

Attachment
cc: Mr. Edward Woodruff, Attorney

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.

ASC State AMC Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: December 16, 2019

Ohio AMC Regulatory Program (State)

Ohio Real Estate Appraiser Board (Board)	PM: N. Fenochietti	ASC Compliance Review Date: August 13-16, 2019	Review Period: August 2017 to August 2019
Umbrella Agency: Ohio Department of Commerce, Division of Real Estate & Professional Licensing		Number of AMCs on AMC Registry: 0	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				
Participating States must enforce and document ownership limitations for State-registered AMCs. (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.)				An AMC shall not be registered or included on the AMC National Registry if such AMC, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for a substantive cause. The statute incorrectly limits the requirement to owners of more than 10% .	On November 15, 2019, the State reported that notwithstanding the statutory language, Ohio’s Rules and the Ohio AMC application correctly require that any owner of an AMC, who is a credentialed appraiser, disclose such and submit to a federal and state criminal history check.	The State should amend its statute to bring it into compliance with ASC Policy Statement 8, and provide the ASC staff with a copy of the statute 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 8.
National Registry:	X						
				No compliance issues noted.	N/A	None	None
Enforcement:	X						
				No compliance issues noted.	N/A	None	None