



Appraisal Subcommittee
Federal Financial Institutions Examination Council

December 10, 2018

Mr. Gabriel Gilman, General Counsel
Board of Real Estate Appraisers
Office of Professional Regulation
89 Main Street, 3rd Floor
Montpelier, VT 05620

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

Dear Mr. Gilman:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Vermont appraiser regulatory program (Appraiser Program) on July 30-August 1, 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 only the preliminary results of the Review as the State did not respond to the ASC Staff Preliminary Compliance Review Findings. The Appraiser Program is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the Vermont Appraiser Program is attached.

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

- States must issue temporary practice permits within five business days of receipt of a completed application, or notify the applicant and document the file as to the circumstances justifying delay or other action;¹
- 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;² and
- States must track all complaints on a complaint log containing the required information.³

ASC staff will confirm appropriate corrective actions have been taken through a follow-up visit and during the next Review. Vermont will remain on a two-year Review Cycle.

¹ 12 U.S.C. § 3351; Policy Statement 2.

² 12 U.S.C. § 3347; Policy Statement 7 B.

³ 12 U.S.C. § 3347; Policy Statement 7 B.

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. Tara Grenier, Licensing Administrator
Ms. Judith Roy, Licensing Administrator 1

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 ¹	<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.

¹ 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 10, 2018

Vermont Appraiser Regulatory Program (State)

Board of Real Estate Appraisers (Board) PM: K. Klamet

ASC Compliance Review Date: July 30-August 1, 2018

Review Period: July 2016 to July 2018

Umbrella Agency: Office of Professional Regulation

Number of State Credentialed Appraisers on National Registry: 264

Review Cycle: Two year with follow-up

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		The State failed to process requests for temporary practice permits within 5 business days of receipt of a completed application.	None	The State must provide, within 60 days of issuance of this Report, a plan on how the State will ensure temporary practice permits are issued within 5 days of application receipt.	Through off-site monitoring as well as during a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2.
States must issue temporary practice permits within five business days of receipt of a completed application, or notify the applicant and document the file as to the circumstances justifying delay or other action. (12 U.S.C. § 3351; Policy Statement 2.)							
National Registry:	X			No compliance issues noted.	N/A	None	None
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:		X		The State had 13 outstanding complaints of which 5 were unresolved for more than 1 year and 5 were unresolved for more than 2 years without the exemption for special documented circumstances.	None	The State must provide, within 60 days of issuance of this Report, a written plan on how the State will address the backlog of outstanding complaints and how it will facilitate more timely complaint disposition in the future.	Through off-site monitoring as well as during a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7.
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.)							
Enforcement continued:		X		The State was unable to ensure all complaints were identified and monitored.	None	The State must provide, within 60 days of issuance of this Report, a plan on how the State will ensure that it has an effective process to identify and monitor all complaints.	Through off-site monitoring as well as during a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7.
States must track all complaints on a complaint log containing the required information. (12 U.S.C. § 3347; Policy Statement 7 B.)							