

Overview of the Compliance Review Process

Updated November 22, 2022

The Appraisal Subcommittee (ASC) performs an on-site Compliance Review (Review) of all State¹ appraiser and AMC regulatory programs (Programs) on a two-year Review Cycle. If significant concerns regarding a Program's compliance with Title XI are identified during a Review, a State Appraiser and/or AMC Program may be moved to a one-year Review Cycle, or a Follow-up Review may be scheduled, usually within six to nine months.

Approximately 60-90 days before the scheduled date of the Reviews, ASC staff contacts the State to request specific materials be submitted prior to the Reviews.² The State is also provided with Program Collection Information forms to complete and return with the requested materials. The materials submitted by the State is reviewed by ASC Policy Managers and ASC legal staff for consistency with Title XI, the AMC Rule, and ASC Policy Statements. The lead Policy Manager will contact the State regarding specific files that must be made available for review.

The Reviews begin with a virtual opening conference with State personnel to introduce ASC staff, address the scope of the Review process and answer any questions. Policy Managers will then visit the State office to review previously requested files and may request additional files while on-site, to evaluate for compliance with requirements of Title XI, the AMC Rule, and ASC Policy Statements.³ The Policy Managers may ask follow-up questions of State staff during the Reviews to ensure accurate facts are gathered and to clarify any inconsistencies. At the conclusion of the visit, an exit conference is held either on-site or virtually to provide State personnel with preliminary observations.

Policy Managers regularly attend open State board⁴ meetings, including executive sessions if permitted, to observe and evaluate their effectiveness in carrying out Title XI-related duties. Policy Managers may also inform board members about the ASC and address any questions or concerns the board members may have about the Compliance Review process and current industry issues.

After the Reviews are concluded, ASC staff provides the State Program(s) with Preliminary Compliance Review Findings Reports. The State is given 60 days to respond. At the end of the 60-day period, or upon receipt of a response from the State, whichever occurs first, the ASC Compliance Review Reports (Reports) are finalized by the ASC Board. The approved Final Reports containing the ASC's findings, recommendations, any required remedial action, and a rating will be sent to the State. The Reports and transmittal letters are available to the public on the ASC's website at www.asc.gov under the Freedom of Information Act (FOIA).

¹ "State" refers to the 50 States, the District of Columbia, and four territories (Commonwealth of Puerto Rico, Commonwealth of the Northern Mariana Islands, Guam, and United States Virgin Islands).

² This material includes, but is not limited to, the State's relevant statutes, administrative rules and regulations, board meeting minutes, complaint logs, temporary practice application log, sample application packets for each classification of appraiser, and a list of all approved educational courses.

³ ASC staff will not disclose any confidential information such as Respondent, Applicant or Complainant names.

⁴ State boards may refer to committees or commissions, depending on the organization of the State's Program.