

February 16, 2024

**Via Email**

Angela Jemmott, Bureau Chief  
Bureau of Real Estate Appraisers  
3075 Prospect Park Drive, Suite 190  
Rancho Cordova, CA 95670  
[Angela.Jemmott@brea.ca.gov](mailto:Angela.Jemmott@brea.ca.gov)

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

Dear Angela Jemmott:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the California appraiser regulatory program (Appraiser Program) on November 14-16, 2023, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the California Appraiser Program is attached.

The ASC identified the following area of non-compliance:

- The State had 63 aged complaints of which 53 were unresolved for more than 1 year and 10 were unresolved for more than 2 years without the exemption for special documented circumstances.<sup>1</sup>

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

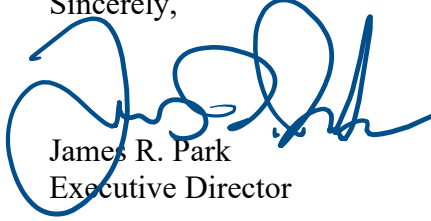
The final ASC Compliance Review Report (Report) of the California Appraiser Program is attached.

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<sup>1</sup> 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.)

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: Loretta Dillon, Deputy Bureau Chief, [Loretta.Dillon@brea.ca.gov](mailto:Loretta.Dillon@brea.ca.gov)

## 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**	<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.

\*\* 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 Appraiser Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: February 16, 2024

<b>California Appraiser Regulatory Program (State)</b>		
Bureau of Real Estate Appraisers (Bureau)	PM: N. Fenochietti	ASC Compliance Review Date: November 14-16, 2023
Umbrella Agency: Independent		Number of State Credentialed Appraisers on Appraiser Registry: 8,900
		Review Period: October 2021 to November 2023
		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				
<b>Statutes, Regulations, Policies and Procedures:</b>	X			No compliance issues noted.	N/A	None	None
<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 63 aged complaints of which 53 were unresolved for more than 1 year and 10 were unresolved for more than 2 years without the exemption for special documented circumstances.	On February 2, 2024, the State reported that a number of staff are no longer with the agency. Out of the nine employee separations, five were key enforcement staff which included the loss of the enforcement chief, enforcement manager, and long-term investigators. Key position recruitments were open for up to two years, with continuous advertisement of the vacancies with minimal response. In addition to revising job announcements, the State: <ul style="list-style-type: none"> <li>•hired and dedicated a retired annuitant to assess and manage enforcement workload and work sample reviews;</li> <li>•is continuing to work with the Department of Consumer Affairs to address the education issue that is preventing applicants from qualifying;</li> <li>•hired two investigators in June 2023;</li> <li>•hired a retired annuitant to provide temporary legal counsel;</li> <li>•hired a consulting firm to assist with initial investigations and training;</li> <li>•revised the investigation process to streamline workflow;</li> <li>is advertising for a Chief of Enforcement; and</li> <li>•hired a Licensing Manager to allow Bureau leadership to expand outreach efforts.</li> </ul>	The State must monitor its revised processes to ensure complaints are resolved timely and continue with recruitment efforts.	None