

May 23, 2024

**Via Email**

Summer Mire, Executive Director  
Louisiana Real Estate Appraisers Board  
9071 Interline Avenue  
Baton Rouge, LA 70809  
[SMire@lrec.gov](mailto:SMire@lrec.gov)

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

Dear Summer Mire:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Louisiana AMC regulatory program (AMC Program) on September 12-14, 2023, to determine the AMC 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 AMC Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) is attached.

The ASC identified the following areas of non-compliance:

- States must impose requirements on State-registered AMCs to establish and comply with processes and controls reasonably designed to ensure that the AMC conducts its appraisal management services in accordance with the requirements of section 129E(a) through (i) of the Truth in Lending Act, 15 U.S.C. 1639e(a) through (i), and regulations thereunder;<sup>1</sup>
- States that have a more expansive definition of AMCs than in the AMC Rule must ensure such non-Federally recognized AMCs are identified as such in the State database;<sup>2</sup> and
- States must ensure the accuracy of all data submitted to the AMC Registry.<sup>3</sup>

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

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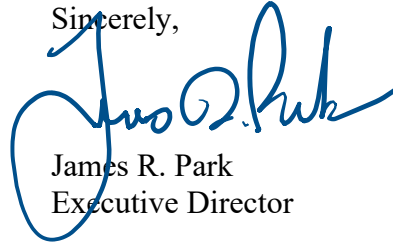
<sup>1</sup> 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

<sup>2</sup> Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 8.

<sup>3</sup> Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 9.

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,

A handwritten signature in blue ink, appearing to read "James R. Park". The signature is stylized with a large initial "J" and a long horizontal stroke.

James R. Park  
Executive Director

Attachment

cc: Thomas E. Devillier, Deputy Director/Executive Counsel, [TDevillier@lrec.gov](mailto:TDevillier@lrec.gov)  
Allison Burnette, Program Administrator, [ABurnette@lreab.gov](mailto:ABurnette@lreab.gov)  
Anne Brassett, Program Administrator, [ABrassett@lreab.gov](mailto:ABrassett@lreab.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 12, Interim Sanctions.



## ASC State AMC Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: May 23, 2024

**Louisiana AMC Regulatory Program (State)**

Louisiana Real Estate Appraisers Board (Board)	PM: M. Brown	ASC Compliance Review Date: September 12-14, 2023	Review Period: April 2021 to July 2023
Umbrella Agency: Real Estate Commission		Number of AMCs on AMC Registry: 108	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					
States must impose requirements on State-registered AMCs to establish and comply with processes and controls reasonably designed to ensure that the AMC conducts its appraisal management services in accordance with the requirements of section 129E(a) through (i) of the Truth in Lending Act, 15 U.S.C. 1639e(a) through (i), and regulations thereunder. (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.)				The State's definition of an appraisal management company and appraisal management services within its statutes is inconsistent with Title XI.	On March 28, 2024, the State reported that it intends to amend its definition of an appraisal management company and appraisal management services to ensure consistency with Title XI.	The State must continue the process to amend its statutes to bring them into compliance with Title XI, and provide ASC staff with a copy 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.
<b>Statutes, Regulations, Policies and Procedures Continued:</b>		X					
States that have a more expansive definition of AMCs than in the AMC Rule must ensure such non-Federally recognized AMCs are identified as such in the State database. (Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 8.)				The State's statutes provide for the board to collect the AMC Registry fee from each registered AMC. Based on the State's definition of an AMC, not all AMCs registered in the State may qualify for the AMC Registry.	On March 28, 2024, the State reported that it intends to amend its statute to ensure consistency with Title XI.	The State must continue the process to amend its statutes to bring them into compliance with Title XI, and provide ASC staff with a copy 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.
<b>National Registry:</b>		X					
States must ensure the accuracy of all data submitted to the AMC Registry. (Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 9.)				The State failed to report 6 AMCs to the AMC Registry.	On March 28, 2024, the State reported that it amended its AMC initial application and AMC renewal application forms to clarify AMC requirements and collect additional information to ensure that the agency properly and timely reports to the AMC Registry.  At the same time, the State reported that it implemented a new application form for use only by federally regulated AMCs.	The State must ensure all federally recognized AMCs are reported to the AMC Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 9.



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Umbrella Agency: Real Estate Commission		Number of AMCs on AMC Registry: 108	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>National Registry Continued:</b>			X				
States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect the registry fee. (Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; 12 CFR 1102.403; Policy Statements 8 and 9.)				The State failed to determine the eligibility of 3 AMCs for inclusion on the AMC Registry.	On March 28, 2024, the State reported that it amended its AMC initial application and AMC renewal application forms to clarify AMC requirements and collect additional information to ensure that the agency properly and timely reports only eligible AMCs to the AMC Registry.  In addition, the State determined the eligibility of the 3 AMCs for inclusion on the AMC Registry.	The State should ensure all federally recognized AMCs are reported to the AMC Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statements 8 and 9.
<b>Enforcement:</b>	X			No compliance issues noted.	N/A	None	None