

September 16, 2024

**Via Email**

Tom Ryan, Executive Director  
Real Estate Appraisers Board  
Department of Safety and Professional Services  
4822 Madison Yards Way  
Madison, WI 53705  
[Tom.Ryan@wisconsin.gov](mailto:Tom.Ryan@wisconsin.gov)

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

Dear Tom Ryan:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Wisconsin AMC regulatory program (AMC Program) on March 19-21, 2024, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.<sup>1</sup>

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 provide written notice when removing appraisers from the appraiser panel consistent with the AMC Rule;<sup>2</sup> and
- States shall not require an appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency to register with a State.<sup>3</sup>

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

The final ASC Compliance Review Report (Report) of the Wisconsin AMC Program is attached.

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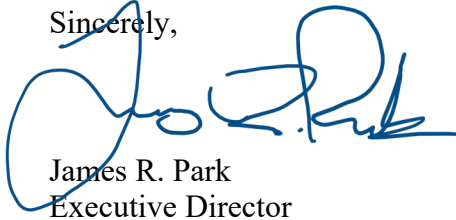
<sup>1</sup> 12 U.S.C. §§ 3331-3356

<sup>2</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

<sup>3</sup> Title XI § 1124(c), 12 U.S.C. § 3353(c)

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 at the end.

James R. Park  
Executive Director

Attachment

cc: Brenda Taylor, Program Assistant Supervisor, [Brenda.Taylor@wisconsin.gov](mailto:Brenda.Taylor@wisconsin.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: September 16, 2024

<b>Wisconsin AMC Regulatory Program (State)</b>			
<b>Wisconsin Real Estate Appraisers Board (Board)</b>	PM: M. Brown	ASC Compliance Review Date: March 19-21, 2024	Review Period: October 2022 to February 2024
Umbrella Agency: Department of Safety and Professional Services		Number of AMCs on AMC Registry: 83	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 provide written notice when removing appraisers from the appraiser panel consistent with the AMC Rule. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26)				<p>The State's statutes allow an AMC to remove an appraiser from its panel, without notice, within the first 60 days after the appraiser is first added to the panel, when there is no such grace period in the AMC Rule as to when AMCs are required to notify an appraiser before being removed from the panel.</p> <p>This concern was also identified in the February 28, 2020, Final Compliance Review Report.</p>	<p>On June 21, 2024, the State reported the authority to revise its statutes resides with the Wisconsin Legislature and that it had made previous attempts to recommend statutory changes.</p> <p>The State went on to say Assembly Bill 884 was introduced in the Wisconsin Legislature on February 11, 2020, but failed to pass.</p> <p>The State went on to say it will recontact the Wisconsin Legislature at the start of its next legislative session.</p>	<p>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.</p>	<p>During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI.</p>
<b>Statutes, Regulations, Policies and Procedures Continued:</b>		X					
States shall not require an appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency to register with a State. (Title XI § 1124(c), 12 U.S.C. § 3353(c))				<p>The State's exemption for Federally regulated AMCs does not comply with Title XI.</p>	<p>On June 21, 2024, the State reported the authority to revise its statutes resides with the Wisconsin Legislature and that it had made previous attempts to recommend statutory changes.</p> <p>The State went on to say it had previously recommended this revision to the Wisconsin Legislature, but the Legislature did not act on it.</p> <p>The State went on to say it will recontact the Wisconsin Legislature at the start of its next legislative session.</p>	<p>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.</p>	<p>During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI.</p>



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	YES	NO	AC				
<b>National Registry:</b>	X						
				No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>	X						
				No compliance issues noted.	N/A	None	None