

August 7, 2023

Via Email

Melanie Griffin, Secretary
Department of Business and Professional Regulation
Division of Real Estate
400 West Robinson Street, Suite N801
Hurston North Tower
Orlando, FL 32801
Melanie.Griffin@myfloridalicense.com

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

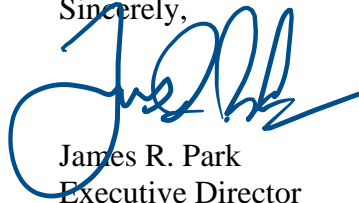
Dear Melanie Griffin:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Florida's AMC regulatory program (AMC Program) on February 6-9, 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." Areas of noncompliance that were identified are being addressed by the AMC Program. Florida will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) of the Florida AMC Program is attached.

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: Katy McGinnis, Director, Division of Real Estate, Katy.McGinnis@myfloridalicense.com
Allison McDonald, Executive Director, Division of Real Estate,
Allison.Mcdonald@myfloridalicense.com

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**	<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.

**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: August 7, 2023

Florida AMC Regulatory Program (State)			
Florida Real Estate Appraisal Board (Board)	PM: K. Klamet	ASC Compliance Review Date: February 6-9, 2023	Review Period: February 2021 to February 2023
Umbrella Agency: Department of Business and Professional Regulation (DBPR)		Number of AMCs on AMC Registry: 216	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:	X						
States must enforce and document ownership limitations for State-registered AMCs. (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 statute regarding ownership limitation for an owner who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for substantive cause is not consistent with the AMC rule. The State's statute only requires the reporting of owners of 10% or more.	On June 13, 2023, the State provided its interpretation that the statute requires the disclosure from a broadly phrased group of owners, which includes all owners who have had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State.	None	The State addressed the concern.
National Registry:			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 inactivate an AMC on the AMC Registry who was no longer active.	On June 13, 2023, the State reported that a new process has been implemented to prevent any future occurrences. The process will be monitored and improvements will be made, if necessary.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 9.
National Registry (continued):			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 47 State registered AMCs.	On June 13, 2023, the State advised that rule revisions have been approved by the Board to allow the Board the ability to suspend an AMCs State registration for failure to file the annual AMC Registry report.	None	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.
Enforcement:	X						
				No compliance issues noted.	NA	None	None