

February 16, 2024

**Via Email**

Mike Warren, Chairperson  
North Carolina Appraisal Board  
5830 Six Forks Road  
Raleigh, NC 27609  
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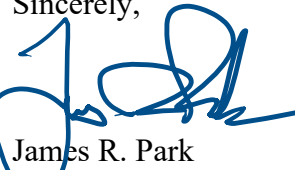
RE: ASC Compliance Review of North Carolina's Appraisal Management Company (AMC) Regulatory Program

Dear Mike Warren:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the North Carolina AMC regulatory program (AMC Program) on October 24-26, 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." An area of concern that was identified is being addressed by the AMC Program. North Carolina will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) of the North Carolina 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: Don Rodgers, Executive Director, [Don@ncab.org](mailto:Don@ncab.org)

## 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: February 16, 2024

**North Carolina AMC Regulatory Program (State)**

North Carolina Appraisal Board (Board)	PM: N. Fenochietti	ASC Compliance Review Date: October 24-26, 2023	Review Period: November 2021 to October 2023
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Umbrella Agency: Independent	Number of AMCs on AMC Registry: 133	Review Cycle: Two Year
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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>National Registry:</b>			X	The State failed to report the name change of 1 AMC to the AMC Registry.	On January 16, 2024, the State reported that the staff immediately corrected the discrepancy upon discovery, and put into place preventative measures, which includes auditing the AMC Registry entries. There are now two key staff members who are responsible for maintaining the AMC Registry. Desk manuals have been reviewed to ensure that this step is marked with utmost importance. In addition, the State has initiated discussions to integrate the AMC database with the AMC Registry, to allow changes to be automatically updated.	The State should monitor its revised processes to ensure timely updates to the AMC Registry.	None
<b>Enforcement:</b>	X			No compliance issues noted.	N/A	None	None