

November 6, 2024

Via Email

Sylvan Robb, Division Director
Division of Corporations, Business and Professional Licensing
Department of Commerce, Community, and Economic Development
550 West 7th Avenue, Suite 1500
Anchorage, AK 99501
Sylvan.Robb@alaska.gov

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

Dear Sylvan Robb:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Alaska AMC regulatory program (AMC Program) on July 15-18, 2024, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.¹

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 AMCs consistent with the AMC Rule;²
- States must enforce and document ownership limitations for State-registered AMCs;³ and
- States must ensure the accuracy of all data submitted to the AMC Registry.⁴

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

¹ 12 U.S.C. §§ 3331-3356.

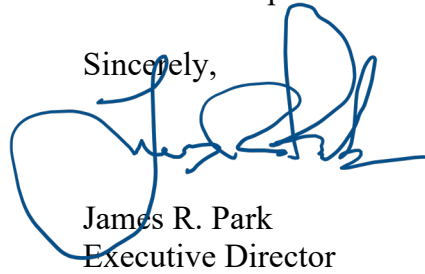
² 12 CFR 34.210–34.216; 12 CFR 225.190–225.196; 12 CFR 323.8–323.14; 12 CFR 1222.20–1222.26; Policy Statement 8.

³ Title XI § 1124, 12 U.S.C. § 3353; 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.

⁴ 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 and fluid, with a large loop on the left side and a horizontal line extending to the right.

James R. Park
Executive Director

Attachment

cc: Nancy Harris, Executive Administrator, Nancy.Harris@alaska.gov
Glenn Saviers, Division Deputy Director, Glenn.Saviers@alaska.gov
Sara Sather, Licensing Examiner, Sara.Sather@alaska.gov
Erika Prieksat, Chief Investigator, Erika.Prieksat@alaska.gov
Billy Homestead, Senior Investigator, Billy.Homestead@alaska.gov
Dennis Hines, Investigator III, Dennis.Hines@alaska.gov

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: November 6, 2024

Alaska AMC Regulatory Program (State)			
Alaska Board of Certified Real Estate Appraisers (Board)	PM: J. Stewart	ASC Compliance Review Date: July 15-18, 2024	Review Period: August 2022 to June 2024
Umbrella Agency: Division of Corporations, Business and Professional Licensing		Number of AMCs on AMC Registry: 65	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				
Statutes, Regulations, Policies and Procedures:		X					
States must impose requirements on AMCs 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; Policy Statement 8).				The State's statute requires federally regulated AMCs to report information that is not consistent with the AMC Rule.	On September 27, 2024, the State reported that they have been seeking a legislator to sponsor a bill to make the necessary statute change since it was first identified in 2022. The State went on to report that they will continue to find a legislator willing to introduce a bill to make the necessary statute changes.	The State must continue the process to amend its statute to bring it into compliance and provide the ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area of compliance with Title XI, the AMC Rule, and Policy Statement 8.
Statutes, Regulations, Policies and Procedures Continued:		X					
States must enforce and document ownership limitations for State-registered AMCs. (Title XI § 1124, 12 U.S.C. § 3353; 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.	On September 27, 2024, the State reported that they have been seeking a legislator to sponsor a bill to make the necessary statute change since it was first identified in 2022. The State went on to report that they will continue to find a legislator willing to introduce a bill to make the necessary statute changes.	The State must continue the process to amend its statute to bring it into compliance and provide the ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area of compliance with Title XI, the AMC Rule, and Policy Statement 8.



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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				
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.)				<p>The State failed to determine the eligibility of 2 AMCs for inclusion on the AMC Registry.</p> <p>On September 27, 2024, the State reported that the two AMCs in question failed to comply with the AMC Registry requirements timely, and the Board currently does not have the authority to require AMCs to submit their annual federal registration.</p> <p>The State went on to report that the Board has a regulations project in process which includes amendments to allow the Investigations Unit to assist in enforcing the requirements for AMCs to submit their federal registration by the annual due date.</p>	The State must continue the process to amend its regulations to bring them into compliance and provide the ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area of compliance with Title XI, the AMC Rule, and Policy Statement 9.	
Enforcement:	X						
				No compliance issues noted.	N/A	None	None