

June 25, 2025

Via Email

Anika Coleman, Executive Director
Virginia Real Estate Appraiser Board
Department of Professional and Occupational Regulation
9960 Mayland Drive, Suite 400
Richmond, VA 23233-1485
Anika.Coleman@dpor.virginia.gov

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

Dear Anika Coleman:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Virginia AMC regulatory program (AMC Program) on September 10-12, 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 is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the Virginia AMC Program is attached.

The ASC identified the following areas of non-compliance:

- States must establish and maintain an AMC Program with legal authority and mechanisms to collect and transmit AMC registry fees in accordance with Title XI and the AMC Registry Fee Rule.²
- States must reconcile and pay registry invoices in a timely manner (45 calendar days after receipt of the invoice).³
- States must report all disciplinary action taken against an AMC to the ASC via the extranet application within 5 business days after the disciplinary action is final, as determined by State law;⁴
- States are required to ensure that National Registry staff authorization information provided to the ASC is updated and accurate;⁵ and

¹ 12 U.S.C. §§ 3331-3356

² 12 U.S.C. § 3338; 12 CFR 1102 Subpart E.

³ 12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 9.

⁴ 12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 9.

⁵ 12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 9.


ASC Finding Descriptions

- States must report AMCs that are either registered with and subject to the supervision of a State or are operating subsidiaries of a Federally regulated financial institution to the AMC Registry.⁶

The State acknowledges ASC staff's preliminary compliance review findings and reported that it has taken some corrective actions. The ASC considers the State's responses to the Preliminary Report to be indicative of an earnest effort to remedy non-compliance. ASC staff will confirm appropriate corrective actions have been taken through off-site monitoring and during the next Review. Virginia will remain on a two-year Review Cycle.

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,



Luke H. Brown
Acting Chair

Attachment

cc: Steve Kirschner, Deputy Director for Licensing and Regulation,
Steve.Kirschner@dpor.virginia.gov

⁶ 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.

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 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.




ASC State AMC Program Compliance Review Report


ASC Finding: Needs Improvement

Final Report Issue Date: June 25, 2025

Virginia AMC Regulatory Program (State)			
Virginia Real Estate Appraiser Board	PM: T. Lewis	ASC Compliance Review Date: September 10-12, 2024	Review Period: May 2022 to July 2024
Umbrella Agency: Department of Professional and Occupational Regulation	Number of AMCs on AMC Registry: 98		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 establish and maintain an AMC Program with legal authority and mechanisms to collect and transmit AMC registry fees in accordance with Title XI and the AMC Registry Fee Rule. (12 U.S.C. § 3338; 12 CFR 1102 Subpart E).				The State's administrative rules regarding collecting and transmitting Annual AMC Registry fees are inconsistent with the AMC Registry Fee Rule. The State's administrative rules incorrectly indicate the fee is \$25 multiplied by the number of appraisers working for or contracting with the appraisal management company during the previous year. However, the AMC Registry fee is \$25 multiplied by the number of appraisers who have performed an appraisal for the AMC in connection with a covered transaction during the previous year. The annual requalification performed by the State correctly captures AMC Registry fees.	On December 20, 2024, the State acknowledged that its administrative rule was inconsistent with the AMC Rule. To address this issue, the State approved and filed an exempt regulatory action on 12/11/2024 to amend the language in its AMC Regulations to align with federal requirements.	The State must continue the process to amend its rules to bring them into compliance, and provide ASC staff with a copy within 15 days once finalized.	After the ASC Staff receives and reviews the revised rule, the State will have addressed this concern.
National Registry:		X					
States must reconcile and pay registry invoices in a timely manner (45 calendar days after receipt of the invoice). (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 9.)				The State had 11 unpaid AMC Registry invoices outstanding for more than 45 calendar days.	On December 20, 2024, the State reported the acknowledgment of delinquent invoices and noted that all were fully resolved by October 10, 2024. The State went on to indicate that to prevent future occurrences, the staff has implemented a new procedure to ensure all invoices are paid following their prompt payment guidelines and have provided multiple employees with access to retrieve invoices and process internal payment requests.	The State must monitor its new process of reconciling AMC Registry invoices to ensure payment in a timely manner.	Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance.

<div><div></div><div>ASC State AMC Program Compliance Review Report</div></div>							ASC Finding: Needs Improvement		
							Final Report Issue Date: June 25, 2025		
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Virginia Real Estate Appraiser Board			PM: T. Lewis		ASC Compliance Review Date: September 10-12, 2024			Review Period: May 2022 to July 2024	
Umbrella Agency: Department of Professional and Occupational Regulation				Number of AMCs on AMC Registry: 98			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						
National Registry (continued):			X						
States must report all disciplinary action taken against an AMC to the ASC via the extranet application within 5 business days after the disciplinary action is final, as determined by State law. (12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 9.)				The State did not report 1 disciplinary action to the AMC Registry.	On December 20, 2024, the State reported that it had thoroughly revised its compliance protocols and post-board meeting procedures. The State asserts these updates will ensure that AMC disciplinary actions are collected and reflected in the AMC Registry by the next business day. The State also indicated that ASC staff have trained multiple employees to ensure timely and accurate reporting.	The State must monitor the revised procedure to ensure that it submits all disciplinary actions to the AMC Registry in a timely manner.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.		
National Registry (continued):			X						
States are required to ensure that staff authorization information provided to the ASC is updated and accurate. (12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 9.)				The State failed to notify the ASC to deactivate 3 individuals' Registry access.	On December 20, 2024, the State confirmed that they had taken immediate action to remove access for those no longer affiliated with their program, ensuring that only currently authorized users can access the AMC Registry. The State also reported that they have implemented a written policy that defines the procedures for granting, managing, and revoking access.	The State must monitor the new internal process to ensure that the authorization information provided to the ASC is updated and accurate.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.		

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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 (continued):			X									
States must report AMCs that are either registered with and subject to the supervision of a State or are operating subsidiaries of a Federally regulated financial institution to the AMC Registry. (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 report 4 AMCs to the AMC Registry.		On December 20, 2024, the State reported that the ASC extranet system has a limitation regarding the input of new license expiration dates. According to the State, expiration dates can only be entered on the first day of the month following the renewal date. The State, however, renews licenses up to 60 days before their expiration date. The State notes that it will update its database to allow data input at all times.		The State must monitor its revised procedures for reporting AMC information to the AMC Registry to ensure compliance.		During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.	
Enforcement:		X										
					No compliance issues noted.		N/A		None		None	