

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 Appraiser Regulatory Program

Dear Anika Coleman:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Virginia appraiser regulatory program (Appraiser Program) on September 10-12, 2024, to determine the Appraiser 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 Appraiser Program is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the Virginia Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action;²
- States must reconcile and pay registry invoices in a timely manner;³
- States are required to report all disciplinary actions via the extranet application within 5 business days after the disciplinary action is final, as determined by State law;⁴
- States must ensure that staff authorization information provided to the ASC is updated and accurate;⁵
- States must ensure that appraiser education courses are consistent with AQB Criteria;⁶ and
- States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria.⁷

¹ 12 U.S.C. §§ 3331-3356.

² 12 U.S.C. § 3351; Policy Statement 2 B.

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

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

⁵ 12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 3 A, C.

⁶ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 6 A.

⁷ 12 U.S.C. § 3347; Policy Statement 6 A.

- States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria⁸

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

⁸ 12 U.S.C. § 3347; Policy Statement 6 A.

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 Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement

Final Report Issue Date: June 25, 2025

Virginia Appraiser Regulatory Program (State)			
Virginia Real Estate Appraiser Board		PM: T. Lewis	ASC Compliance Review Date: September 10-12, 2024
Umbrella Agency: Department of Professional and Occupational Regulation		Number of State Credentialed Appraisers on Appraiser Registry: 3108	Review Period: May 2022 to July 2024
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						
				No compliance issues noted.	N/A	None	None
Temporary Practice:		X					
States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action. (12 U.S.C. § 3351; Policy Statement 2 B.)				The State failed to process 4 requests for temporary practice permits within 5 business days of receipt of a completed application.	On December 20, 2024, the State reported fully understanding the concern. The State also reported that they have implemented a more accurate tracking system to ensure timely issuance and have trained multiple staff to process temporary practice permits.	The State must monitor its new processes to ensure temporary practice permits are issued within 5 business days of receipt of application.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry:		X					
States must reconcile and pay registry invoices in a timely manner. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 B.)				The State failed to reconcile and pay 17 Appraiser Registry invoices timely.	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 Appraiser 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.



ASC State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement

Final Report Issue Date: June 25, 2025

Virginia Appraiser 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 State Credentialed Appraisers on Appraiser Registry: 3108			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 are required to report all disciplinary actions via the extranet application within 5 business days after the disciplinary action is final, as determined by State law. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 D.)					The State did not report 4 disciplinary actions to the Appraiser 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 appraiser disciplinary actions are collected and reflected in the Appraiser 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 its revised procedures to ensure that it submits all disciplinary actions to the Appraiser 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 must 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 3 A, C.)					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 Appraiser 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 its new internal processes 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.	
Application Process:		X										
					No compliance issues noted.		N/A		None		None	
Reciprocity:		X										
					No compliance issues noted.		N/A		None		None	



ASC State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement

Final Report Issue Date: June 25, 2025

Virginia Appraiser Regulatory Program (State)			
Virginia Real Estate Appraiser Board		PM: T. Lewis	ASC Compliance Review Date: September 10-12, 2024
Umbrella Agency: Department of Professional and Occupational Regulation		Number of State Credentialed Appraisers on Appraiser Registry: 3108	Review Period: May 2022 to July 2024
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				
Education:		X					
States must ensure that appraiser education courses are consistent with AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 6 A.)				AQB Criteria requires continuing education (CE) courses to cover real property related appraisal topics. The State approved a CE course with content that appeared to be inconsistent with AQB Criteria.	On December 20, 2024, the State reported that they had approved an 11-hour course that may not have fully covered real property-related appraisal topics. The State notes that they have updated their policies and procedures to include thorough reviews of course materials to ensure their relevance and accurate allocation of credit hours by collaborating with subject matter experts, including members of the Board.	Within 60 days, the State must review its approved course listings for CE to ensure all approved courses meet current AQB Criteria. Courses that do not meet AQB Criteria must be removed from the approved list or reported on the list as "expired." The State must then notify ASC staff in writing of its findings within 15 days of the completion of its review.	After review of the State's findings, ASC staff will determine if an onsite Follow-up review is necessary.
Education (continued):		X					
States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria. (12 U.S.C. § 3347; Policy Statement 6 A.)				The State renewed 2 qualifying education (QE) courses without ensuring that the approval for course content and/or delivery mechanism was current.	On December 20, 2024, the State acknowledged that two QE courses, previously approved by staff, were outdated regarding course content and/or delivery methods. The State reported that they have requested an update of those materials. Upon submission, Staff will conduct a thorough review to ensure the courses meet the AQB Criteria. The State further reported that they have implemented new procedures requiring applicants to submit verification of their delivery method as part of their education course application process, effective December 15, 2024.	Within 60 days, the State must review its approved course listings for QE to ensure all approved courses have the proper AQB delivery mechanism and approval of the delivery mechanism. Courses that do not have the AQB delivery mechanism approval must be removed from the approved list or reported on the list as "expired." The State must then notify ASC staff in writing of its findings within 15 days of the completion of its review.	After review of the State's findings, ASC staff will determine if an onsite Follow-up review is necessary.



ASC State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement
Final Report Issue Date: June 25, 2025

Virginia Appraiser 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 State Credentialed Appraisers on Appraiser Registry: 3108		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				
Education (continued):		X					
States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria. (12 U.S.C. § 3347; Policy Statement 6 A.)				The State renewed approval of 2 15-hour National USPAP courses without ensuring that instructors were State-certified appraisers and AQB-certified instructors.	On December 20, 2024, the State acknowledged that two 15-hour National USPAP courses were approved without ensuring that the instructors were State certified appraisers and AQB certified instructors, a significant oversight in the approval process. The State notes in its response that it has taken immediate action by directly contacting the two instructors in question to request verification of their credentials. In addition, the State has revised and strengthened its procedures to ensure that staff confirm that USPAP instructors meet the required qualifications.	Within 60 days, the State must review its approvals of the 15-hour and 7-hour National USPAP courses to ensure that instructors were State certified appraisers and AQB certified instructors. The State must then notify ASC staff in writing of its findings within 15 days of the completion of its review.	After review of the State's findings, ASC staff will determine if an onsite Follow-up review and/or additional action is necessary.
Enforcement:	X						
				No compliance issues noted.	N/A	None	None