

June 25, 2025

Via Email

Noura Eltabbakh, Staff Attorney
Office of Professional Regulation
89 Main Street, 3rd Floor
Montpelier, VT 05620
Noura.Eltabbakh@vermont.gov

RE: ASC Compliance Review of Vermont's Appraiser Regulatory Program

Dear Noura Eltabbakh:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Vermont appraiser regulatory program (Appraiser Program) on May 14-16, 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 Vermont Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- 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;²
- States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought;³ and
- States must regulate, supervise and discipline their credentialed appraisers.⁴

The State acknowledges ASC staff's preliminary compliance review findings and reported that it has taken some corrective actions. ASC staff will confirm appropriate corrective actions have been taken through off-site monitoring and during the next Review. Vermont will remain on a two-year Review Cycle.

¹ 12 U.S.C. §§ 3331-3356.

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

³ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.

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

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 be 'LH Brown', written over the printed name.

Luke H. Brown
Acting Chair

Attachment

cc: Judith Roy, Licensing Administrator, Judith.Roy@vermont.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 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

| Vermont Appraiser Regulatory Program (State) | | | | | | | | | | | |
|--|--|---------------------|----|------------------------|---|--|--|---|--|------------------|--|
| Vermont Board of Real Estate Appraisers (Board) - Advisory | | | | PM: K. Klamet | | ASC Compliance Review Date: May 14-16, 2024 | | Review Period: October 2021 to May 2024 | | | |
| Umbrella Agency: Office of Professional Regulation | | | | | | Number of State Credentialed Appraisers on Appraiser Registry: 265 | | Review Cycle: Two Year with off-site monitoring | | | |
| 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 | | | | | | | | | |
| | | | | | No compliance issues noted. | N/A | | None | | | None |
| Temporary Practice: | | X | | | | | | | | | |
| | | | | | No compliance issues noted. | N/A | | None | | | None |
| National Registry: | | | 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 all disciplinary actions to the Appraiser Registry. | On October 18, 2024, the State reported that, moving forward, the Licensing Administrator will develop a calendaring system for tracking when disciplinary actions must be reported. | | Within 60 days, the State must develop a procedure to ensure it submits all disciplinary actions to the Appraiser Registry in a timely manner. The State must provide ASC staff with a written copy of its procedure within 15 days of development. | | | During the next Compliance Review, ASC staff will pay particular attention to this area. |
| Application Process: | | | X | | | | | | | | |
| States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.) | | | | | The State issued an appraiser credential without verifying the applicant met the AQB Criteria required college education. | On October 18, 2024, the State reported that a Licensing Administrator who did not have familiarity or knowledge of the AQB Criteria education requirements approved the application. The State also reported that the office will address this error by only permitting those trained to process appraiser applications to issue an appraiser credential. | | Within 60 days, the State must provide ASC staff sufficient documentation to show that the appraiser satisfied the AQB Criteria; or that the State took appropriate action. | | | Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area. |



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| Umbrella Agency: Office of Professional Regulation | | | | | Number of State Credentialed Appraisers on Appraiser Registry: 265 | | Review Cycle: Two Year with off-site monitoring |
| Applicable Federal Citations | Compliance (YES/NO) | | | ASC Staff Observations | State Response | Required/Recommended State Actions | General Comments |
| | YES | NO | AC | | | | |
| Reciprocity: | X | | | | | | |
| | | | | No compliance issues noted. | N/A | None | None |
| Education: | X | | | | | | |
| | | | | No compliance issues noted. | N/A | None | None |
| Enforcement: | | X | | | | | |
| States must regulate, supervise and discipline their credentialed appraisers. (12 U.S.C. § 3347; Policy Statement 7 A.) | | | | The State dismissed 8 complaints without sufficient documentation to support the rationale for dismissal. | On October 18, 2024, the State reported that a response protocol for screening out any complaints too vague to justify investigation has been developed. The State also provided a proposed statement that will be included in the file for any complaint screened out. | The State must monitor its new processes for screening complaints to ensure files contain relevant documentation to enable understanding of the facts and determinations and the reasons for those determinations. | During the next Compliance Review, ASC staff will pay particular attention to this area. |