APPRAISAL SUBCOMMITTEE
FFIEC

1717 K Street, NW, Suite 900
Washington, DC 20006
www.asc.gov

November 23, 2026

Via Email

Elissa Runyon, Board Chair
VI Board of Real Estate Appraisers
Department of Licensing and Consumer Affairs
3000 Golden Rock Shopping Center, Suite 9
Christiansted, VI 00820
ElissaRunyon@gmail.com

RE: ASC Compliance Review of Virgin Islands' Appraiser Regulatory Program

Dear Elissa Runyon:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Virgin Islands appraiser regulatory program (Appraiser Program) on June 2-4, 2026, 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 review resulted in a Finding of "Not Satisfactory." The final ASC Compliance Review Report (Report) of the Virgin Islands Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States must, at a minimum, adopt and/or implement all relevant AQB Criteria;[2]
- 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; [3]
- States must track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any.;[4]
- States must reconcile and pay Registry invoices in a timely manner;[5]

[1] 12 U.S.C. §§ 3331-3356.
[2] 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.
[3] 12 U.S.C. § 3351; Policy Statement 2 B.
[4] 12 U.S.C. § 3351; Policy Statement 2 B.
[5] 12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 3 B.

- States using the ASC extranet application must implement written policies to ensure that all personnel with access to the National Registry protect the right of access and not share the user name or password with anyone;[6]
- States must ensure the accuracy of all data submitted to the National Registry;[7]
- States must process applications for credentialing within 90 calendar days after receipt of a completed application;[8]
- States must maintain adequate documentation to support verification of all claimed education;[9]
- States must analyze a representative sample of the applicant's work product for compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) on all initial or upgrade applications for appraiser credentialing;[10] and
- States must ensure appraiser credential applications submitted for processing do not contain invalid examinations as established by AQB Criteria.[11]

ASC staff will confirm appropriate corrective actions have been taken through off-site monitoring and during the next Review. The ASC appreciates the State's cooperation and interest in correcting the areas identified in the report. Virgin Islands will remain on a one-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 BROWN

Digitally signed by LUKE BROWN
Date: 2026.11.23 16:03:10 -05'00'

Luke H. Brown
Chair

Attachment
cc: Sarah Maynard, Director-Boards & Commissions, Sarah.Maynard@dlca.vi.gov

[6] 12 U.S.C. § 3347; Policy Statement 3 A.
[7] 12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 3 A, D.
[8] 12 U.S.C. § 3347; Policy Statement 4 A.
[9] 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.
[10] 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 D.
[11] 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 A.

ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	• 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	• 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	• 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	• 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	• 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: Not Satisfactory Final Report Issue Date: November 23, 2026

Virgin Islands Appraiser Regulatory Program (State)			
VI Board of Real Estate Appraisers (Board)	**PM: A. Nespor**	**ASC Compliance Review Date: June 2-4, 2026**	**Review Period: April 2024 to May 2026**
Umbrella Agency: U.S. Virgin Islands Department of Licensing and Consumer Affairs		**Number of State Credentialed Appraisers on National Registry: 22**	**Review Cycle: One 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, at a minimum, adopt and/or implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.)				Prior to reactivation, a credential holder in an inactive status must complete the continuing education (CE) that would have been required if the credential holder had been in active status. The State's regulations only require credential holders to submit CE for the year immediately preceding the date of reactivation. This concern has been ongoing since the 2014 Final Compliance Review Report.	On August 15, 2026, the State reported that its legal counsel has drafted proposed rules and regulations, referring to the Appraiser Qualifications Board (AQB) reactivation requirement. At the same time, the State provided ASC staff with the wording of the proposed rules and regulations.	The State must continue the process to amend its rules and regulations to bring them into compliance with AQB Criteria, and provide ASC staff with a copy once finalized. In addition, the State must send a quarterly status update to ASC staff that provides a detailed description on the progress of the rulemaking. If progress is not made, the ASC may place additional requirements upon the State.	Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Statutes, Regulations, Policies and Procedures (continued):		X					
States must, at a minimum, adopt and/or implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.)				Up to one-half of an appraiser's CE requirement may be granted for participation, other than as a student, in such activities as teaching or authoring a textbook. The State's regulations do not limit the amount of CE that may be acquired for these types of activities. This concern has been ongoing since the 2012 Final Compliance Review Report.	On August 15, 2026, the State reported that its legal counsel has drafted proposed rules and regulations and has included language encompassing the AQB requirement. At the same time, the State provided ASC staff with the wording of the proposed rules and regulations.	The State must continue the process to amend its rules and regulations to bring them into compliance with AQB Criteria, and provide ASC staff with a copy once finalized. In addition, the State must send a quarterly status update to ASC staff that provides a detailed description on the progress of the rulemaking. If progress is not made, the ASC may place additional requirements upon the State.	Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Temporary Practice:		X					

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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				
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.)				In 1 of 6 files examined, the State failed to process a request for a temporary practice permit within 5 business days of receipt of a completed application.	On August 15, 2026, the State acknowledged this finding and that the delay resulted from an isolated administrative oversight. While the application was reviewed and approved promptly, the prepared approval email was not sent. The State further reported that, once the oversight was identified, the permit was issued immediately. At the same time, to strengthen internal controls and ensure compliance, the State reported implementing a written procedure requiring a temporary practice permit tracking log documenting permit dates; supervisory verification before the file is closed; and routine monitoring of pending applications to ensure compliance with the 5-business-day requirement and timely documentation of any delays.	The State must monitor the process 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.
Temporary Practice (continued):		**X**					

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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**				
States must track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any. (12 U.S.C. § 3351; Policy Statement 2 B.)				The State uses a temporary practice permit log that does not include the date the application was received or the date the completed application was received. This information could not be determined from the application files.	On August 15, 2026, the State reported the revision of its Temporary Practice Permit Log to include the applicant's name, date the application was received, date the application was deemed complete, date of issuance and date of expiration. The State also reported that staff have been instructed to complete the log upon receipt of each application and update it throughout the processing cycle to ensure compliance and maintain a complete audit trail.	The State must monitor the use of the revised temporary practice permit log to ensure compliance.	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 1 outstanding National Registry invoice timely.	On August 15, 2026, the State reported that the National Registry invoice was received and entered into the Government of the Virgin Islands' financial system for processing. The State further reports that payment was delayed during the centralized payment process administered by the Department of Finance. At the same time, the State reported that, while vendor payments are processed outside the Department of Licensing and Consumer Affairs, Program staff recognize its responsibility to monitor outstanding invoices and ensure timely follow-up.	The State should implement an effective process to monitor and follow up on payment of National Registry invoices.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry (continued):		**X**					

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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**				
States using the ASC extranet application must implement written policies to ensure that all personnel with access to the National Registry protect the right of access and not share the User Name or Password with anyone. (12 U.S.C. § 3347; Policy Statement 3 A.)				The State does not have a written policy protecting access to the ASC extranet.	On August 15, 2026, the State acknowledged this finding and that, although access to the ASC Extranet has historically been limited to authorized personnel, it did not have a formal written policy governing access credentials and password security. At the same time, the State reported that it has adopted a written ASC Extranet Access and Security Policy establishing procedures for user access, password protection, credential confidentiality, and account management requiring that access be limited to authorized personnel, prohibiting the sharing of usernames and passwords, and providing for periodic review of user access to ensure continued compliance.	Within 60 days, the State must provide ASC staff with a copy of the written ASC Extranet Access and Security Policy.	Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry (continued):		**X**					

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	Final Report Issue Date: November 23, 2026

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Umbrella Agency: U.S. Virgin Islands Department of Licensing and Consumer Affairs		Number of State Credentialed Appraisers on National Registry: 22	Review Cycle: One 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				
States must ensure the accuracy of all data submitted to the National Registry. (12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 3 A, D.)				The State failed to ensure the accuracy of all data submitted to the National Registry. 1 individual was added to the Registry who did not meet the minimum AQB Criteria for the classification listed.	On August 15, 2026, the State acknowledged this finding and that, following the ASC Compliance Review, the Board conducted an administrative hearing to address deficiencies identified in the applicant's credential file. At the same time, the Board reported that, effective the date of the Board's hearing, the credential holder was suspended and removed from the National Registry and shall remain suspended until they provide proof of passing a valid AQB-approved examination, an updated appraisal experience log, and all remaining AQB requirements have been satisfied.	The State must ensure that all documentation to support its validation methods is available to ASC staff for future Compliance Reviews.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process:		X					

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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				
States must process applications for credentialing within 90 calendar days after receipt of a completed application. (12 U.S.C. § 3347; Policy Statement 4 A.)				1 file examined did not contain sufficient documentation to determine whether the application for credentialing was processed within 90 calendar days after receipt of a completed application.	On August 15, 2026, the State reported that it has implemented procedures requiring all credential applications to clearly document the date the application is received, the date it is determined to be complete, and the date final action is taken and, if an application cannot be processed within 90 days, the file must include written documentation explaining the reason for the delay and any correspondence with the applicant. The State further reported that these procedures will ensure a complete record of the application's processing history and demonstrate compliance.	The State must continue to monitor the procedures to ensure compliance. Within 60 days, the State must provide a copy of its updated procedures and standardized checklist to ASC staff.	Through offsite monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process (continued):		**X**					

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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				
States must maintain adequate documentation to support verification of all claimed education. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.)				The State issued 1 appraiser credential without adequate documentation to support verification that the applicant met the AQB Criteria required college education.	On August 15, 2026, the State reported that the Board acknowledges this observation and that one appraiser credential was issued without complete documentation verifying that the applicant satisfied the AQB college education requirement at the time of credential issuance. The State further reported that the applicant ultimately met the educational requirement; however, it acknowledged that the official documentation was not present in the licensure file prior to issuance. The State went on to say that internal controls have been implemented, including a requirement that staff verify and document receipt of all required AQB eligibility documentation before any appraiser credential is issued, and requiring supervisory review and sign-off.	The State must ensure that all documentation to support its validation methods is available to ASC staff for future Compliance Reviews.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process (continued):		X					

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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				
States must analyze a representative sample of the applicant's work product for compliance with USPAP on all initial or upgrade applications for appraiser credentialing. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 D.)				1 file examined did not contain documentation to support that the State analyzed a representative sample of the applicant's work product for compliance with USPAP as part of an application for initial appraiser credentialing.	On August 15, 2026, the State reported that the Board acknowledges that the required representative sample of the applicant's work product was not reviewed for USPAP compliance prior to issuance of the credential and, upon identification of the deficiencies, it conducted a formal hearing. The State further reported that, following the hearing, the credential was suspended and the credential holder was removed from the National Registry, and the Board requested an updated appraisal log and work product from which it will select a representative sample for review for compliance with USPAP. At the same time, the State reported that it has strengthened the application review process to ensure required work-product reviews are completed and documented prior to the issuance of future credentials.	The State must ensure that all documentation to support its validation methods is available to ASC staff for future Compliance Reviews.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process (continued):		X					

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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				
States must ensure appraiser credential applications submitted for processing do not contain invalid examinations as established by AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 A.)				1 appraiser credential was issued without documentation that the applicant passed a valid examination as established by AQB Criteria.	On August 15, 2026, the State reported that the Board acknowledges this observation and that, due to an administrative oversight, the required examination verification was not obtained or documented prior to the issuance of the credential. The State further reported that upon discovery of this deficiency, the matter was immediately brought before the Board for an administrative hearing and that following the hearing, the Board suspended the credential and removed the appraiser from the National Registry until the applicant successfully completes a valid AQB-approved examination. At the same time, the State reported that additional internal controls will require official examination results to be submitted to the applicant's licensure file directly from the appropriate testing or credentialing authority before an appraiser credential is presented to the Board for approval, and that a standardized credentialing checklist has been implemented to ensure that all AQB eligibility requirements have been satisfied and documented prior to credential issuance.	The State must ensure that all documentation to support its validation methods is available to ASC staff for future Compliance Reviews.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Reciprocity:	X						
				No compliance issues noted.	N/A	None	None
Education:	X						

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	YES	NO	AC				
				No compliance issues noted.	N/A	None	None
Enforcement:	X						
				No compliance issues noted.	N/A	None	None