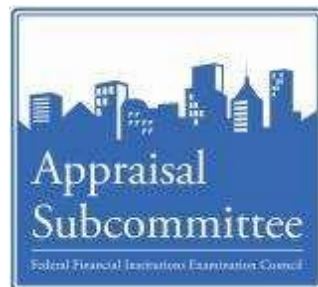


# FYI

# Cover Page

August 29, 2018





**MAY 29 2018**

May 24, 2018

Mr. Jim Park  
Executive Director  
The Appraisal Subcommittee of the  
Federal Financial Institutions  
Examination Council  
1401 H Street, N.W., Suite 760  
Washington, D.C. 20005

Dear Mr. Park:

We have enclosed one copy of our Independent Accountants' Report on Applying Agreed-Upon Procedures for The Appraisal Foundation for the grant year ended September 30, 2017.

Very truly yours,

A handwritten signature in black ink that reads "David A. DiIulis". The signature is written in a cursive style.

David A. DiIulis

DAD/mc  
Enclosures



## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Appraisal Subcommittee of the  
Federal Financial Institutions Examination Council  
1401 H Street, N.W., Suite 760  
Washington, D.C. 20005

We have performed the procedures enumerated below, which were agreed to by the Appraisal Subcommittee (the "Subcommittee"), solely to assist you with respect to The Appraisal Foundation's (the "Foundation") compliance with the grant agreements during the grant year ended September 30, 2017. The Appraisal Foundation's management is responsible for The Appraisal Foundation's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures, observations, and findings are as follows:

### 1. Ascertain that grant funds are expended for activities allowed in the grant agreements

#### Procedures:

- Obtain an understanding of the types of activities that are allowed or prohibited under the grant agreements.
- The allowability of expenses will be assessed based upon either summary-level data or individual transactions. On summary-level data, ascertain that the activities of the Foundation are allowed under the grant agreements. Note the classification and accumulation of individual transactions of the Foundation and its component Boards, and trace the individual transaction into the activity total. On the individual transaction level, select transactions and agree the associated expense to an allowed expense category in the grant agreements.
- Testing will be performed to ensure that indirect rates applied are consistent with actual costs related to indirect labor (i.e. for any overhead rates charged, is there a comparison to the actual funds needed to cover the costs of those expenditures?) within the grants' provisions.

**Observations:**

We obtained an understanding of the types of activities that are allowed or prohibited under the grant agreements based on discussions with personnel of the Subcommittee and the Foundation, and the review of the grant agreements between the Subcommittee and the Foundation for the grant year ended September 30, 2017. We haphazardly selected a total of 95 transactions from the monthly requests for reimbursement and agreed the associated expense to an allowed category such as salaries and wages, consulting, travel and meeting, postage, printing and legal. We traced the individual transactions to the general ledger of the Foundation without exception.

**Conclusion:**

Based on the results of our procedures, we did not identify any grant funds that were expended for activities not allowed in the grant agreements.

**2. Ascertain that costs charged to the grants are allowed under the grant agreements**

**Procedures:**

- **Salaries and Wages:** Determine whether salaries and wages charged to the grants are properly allocable to the program services and are treated in a consistent manner. If there are any limitations on salaries and wages under the grant agreements, program regulations, or under any other agreement, determine whether salaries and wages adhere to such limitations. Trace salaries and wages to the appropriate supporting documentation, such as approval for hiring, salary determination, and pay increases. Make a selection of time and effort reports of the individuals involved in the program activities to ascertain that salaries and wages charged to the grants are based on the actual effort allocable to the various functional and programmatic activities.
- **Consulting, Travel, and Meetings:** Obtain an understanding of the Foundation's policies and procedures for allocating these costs to the Foundation's activities and determine whether there is uniformity in charging these costs to Federal and Non-Federal activities. Appropriate documentation, such as invoices, cancelled checks, purpose of costs incurred, and authorization for payment will be inspected to support each selected item. Ascertain that payments are made timely (within 30 days of receipt of an invoice). Ascertain that unallowable consulting charges are not included in the billing rates. Select samples of the time and effort reports of the consultants, as well as individuals incurring travel and meeting costs, to ascertain that these costs are based on the actual efforts devoted to the various functional and programmatic activities and are allocated in accordance with the Foundation's policies and the terms of the grants.

**Observations:**

We haphazardly selected 25 payroll, 25 consulting, 20 other disbursements, and 25 travel and meetings transactions from the monthly request for reimbursement and agreed them to supporting documentation. The supporting documentation for salaries and wages included approval for hiring, salary determinations, pay increases (when applicable), and time and effort reports. We agreed the time charged on the time and effort reports for the selected individuals in our sample to the request for reimbursement.

We traced the consulting, travel and meeting costs, postage, printing, telephone, and equipment rental costs to appropriate documentation, such as consulting reimbursement requests, invoices, cancelled checks, purpose of costs incurred, and authorization for payment. We ascertained that consulting charges and other cost categories were allowable. We ensured that checks were properly endorsed by only authorized signers and that payments were made in a timely manner (within 30 days of receipt of an invoice). We traced the charges to the consultants' monthly reimbursement requests and traced their billing rates to the grant agreements. We traced consultant reimbursement requests of the consultants and time and effort reports of individuals incurring travel to ascertain that these costs are based on the actual efforts devoted to the various functional and programmatic activities and are allocated under the terms of the grant agreements.

**Conclusion:**

Based on the results of our procedures, we noted one instance of a disbursement that was not paid within 30 days of the receipt of an invoice. The invoice was paid 64 days from the date of the invoice but within the grant year.

**3. Ascertain that indirect costs charged to the grants are allowed under the grant agreements**

**Procedures:**

- Indirect Fringe Costs: Determine whether indirect fringe benefit costs charged to the grants are properly calculated and allocable to the program services and are treated in a consistent manner. Additionally, determine that the "Provisional Fringe Rate" is accurate and ensure that it is being properly calculated. Ascertain what is included on budget line "Reimbursement" amount for indirect fringe costs. Trace salaries and wages to the appropriate supporting documentation, and ensure that salaries and wages are current when computing fringe reimbursement calculation.
- Indirect Overhead Costs: Determine whether indirect overhead costs charged to the grants are properly calculated and allocable to the program services and are treated in a consistent manner. Additionally, determine that the "Provisional Overhead Rate" is accurate and ensure that it is being properly calculated. Ascertain what is included on budget line "Reimbursement" amount for indirect overhead costs. Trace salaries and wages to the appropriate supporting documentation, and ensure that salaries and wages are current when computing overhead reimbursement calculation.

**Observations:**

We obtained an understanding of the indirect fringe calculation allowable under the grant agreements and determined that the calculation was properly computed and ensured it was properly allocated to the specific program. For all of the employees with time devoted to the grants, we obtained their salary information and fringe costs for the grant year. From this, we determined the actual fringe costs per employee and from that computed the total fringe benefit percentage per employee. We determined that the actual fringe costs incurred by the Foundation were significantly higher than the amount that was being reimbursed by the grant agreements, which is acceptable since the grants are meant to defray the costs, not necessarily cover them in their entirety.

We obtained an understanding of the indirect overhead calculation allowable under the grant agreements and determined that the calculation was properly computed and ensured it was properly being allocated to the specific program. For the employees of the Foundation, we obtained all timesheets for the year. From this, we segregated direct labor hours charged to the grants and labor hours that were not charged to the grants. We completed an analysis comparing all employees total time spent on the grants compared to total hours of time not spent on the grants. In this analysis, we allocated a percentage of overhead expense based on the percentage of time that employees charged to the grants.

**Conclusion:**

Based on the results of our procedures, we did not identify any indirect costs charged to the grants that were not properly calculated or disallowed under the grant agreements. We determined that correct rates were used and indirect fringe costs and indirect overhead costs were treated in a consistent manner.

**4. Note whether specified service or expenditure levels are maintained**

**Procedures:**

- Obtain an understanding of the required level of effort for each activity authorized under the grant agreements and determine whether the level of effort requirement was met for each activity.
- Determine whether only allowable categories of expenditures or other effort indicators, such as individuals' hours and number of people served, are included in the calculation of level of effort and that non-monetary effort indicators are supported by official documentation.
- Determine whether such treatment is consistent each year. Determine that expenditures specifically not allowed to be included in such computations under the grant agreements are not included. Also determine that the amounts used for the computation of level of effort are reflected in the books of accounts.

**Observations:**

We obtained an understanding of the required level of effort for each activity authorized under the grant agreements and determined that the level of effort requirement was met for each activity. We determined that transactions for salaries and wages, consulting, travel, and meetings were properly classified in allowable categories of expenditures; non-monetary effort indicators, such as individuals' hours, number of people served, etc. are included in the calculation of level of effort and are supported by documentation. We determined the treatment of expenditures was consistent with prior years and that non-allowable expenditures were not included in the computation of level of effort. We also determined the amounts used for the computation of level of effort are reflected in the books of the accounts.

**Conclusion:**

Based on the results of our procedures, we did not identify any specified service or expenditure levels that were not achieved. This includes allowable categories of expenditures or other effort indicators are properly included in calculations, ascertaining that amounts being included in the calculation of level of effort were allowable and that the level of effort requirements were met for each activity.

**5. Ascertain whether minimum or maximum limits for specified purposes are met**

**Procedures:**

- Identify the required dollar amount or percentage for each specified purpose under the grant agreements.
- Identify the minimum amount for a specified type of service, and note whether such amount was properly charged to the program. Utilize a sampling technique to select a sample of items and trace the items to supporting documentation. Testing will be done on a sampling basis to verify that proper classification of the transaction supporting the specified minimum amount is done.
- Identify and test the maximum amount for a specified service, and verify that the books of accounts do not show more than this maximum amount charged to the program. Perform sampling from the financial records to identify transactions for the specified activity, which are improperly classified in another account and would have caused the specific activity amount or percentage to exceed the maximum allowed if classified properly.

**Observations:**

We identified the required dollar amount or percentage for each specified purpose under the grant agreements. We identified the minimum and maximum amounts for a specified type of service, and noted whether such amounts were properly charged to the program. Using the sample selected from Procedure 2, we identified and tested the minimum and maximum amounts for specified services.

According to the grant agreements, the grantee shall incur costs in conformity with the budget included in the grant agreements. The grantee shall not commingle any funds requested under these grants with any other existing or future operating accounts held by the grantee and shall not transfer funds among budget line items without prior written approval from the Subcommittee.

The following table lists the actual versus budgeted grant expenses for the grant year ended September 30, 2017:

<u>2017 Budget vs. Actual</u>	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>(Over) Under</u>	<u>% Change</u>
Salaries	\$ 78,323	\$ 90,933	\$ (12,610)	-16%
Postage and Delivery	1,818	1,636	182	10%
Printing	9,000	14,751	(5,751)	-64%
Consulting	104,500	72,944	31,556	30%
Travel	336,215	303,442	32,773	10%
Legal	8,400	1,860	6,540	78%
Subcontractor	30,000	30,000	-	0%
Indirect Costs	<u>90,830</u>	<u>105,450</u>	<u>(14,620)</u>	-16%
	<u>\$ 659,086</u>	<u>\$ 621,016</u>	<u>\$ 38,070</u>	

**Conclusion:**

Based on the results of our procedures, we noted three line items for which actual expenditures exceeded the budgeted maximum. The Appraisal Subcommittee Foundation total grant expenses were under budget for the grant year ended Septemebr 30, 2017.

6. Determine whether funds were obligated within the period of availability and obligations were liquidated within the required time period

**Procedures:**

- From the grant agreements, obtain an understanding of any specific requirements related to the period of availability of the grants.
- Select a sample of transactions completed after the end of the grant year and determine whether the underlying expense was incurred within the period of availability.



- If there are any adjustments to the grants amounts, select a sample of adjustments and determine whether these adjustments were for transactions that occurred during the period of availability.

**Observations:**

We obtained an understanding of specific requirements related to the period of availability of the grants. We reviewed the 2017 Budget Summary and noted the Foundation was significantly under budget. We reviewed journal entries and noted no adjustments were made to the grants amounts in the current year or significant accruals at year end. We identified certain reprogramming requests subsequent to year end, which were approved for expenses accrued during the grant year. We also identified one course which was postponed due to a natural disaster which included expenses charged to the grant even though the course was provided subsequent to year end. The Subcommittee's Board of Directors approved the expenditures for the course even though it was not provided until after the grant year due to the timing of the state of emergency related to the natural disaster.

**Conclusion:**

Based on the results of our procedures, we determined funds were obligated within the period of availability and obligations were liquidated within the required time period.

**7. Determine whether revenues are correctly recorded and disbursed in accordance with the grants/program requirements**

**Procedures:**

- Compare the revenue data and grant agreements to identify significant and/or unusual instances, such as:
  - Grant funds received in excess of obligations.
  - Substantial payments with no costs reported against them.
  - Obligations with no recorded activity.
  - Determine whether the related activity of the revenue was recorded in a timely manner, i.e., within 30 business days.
  - Select samples and vouch the obligations, payments, and expenses recorded against the grants to the documents substantiating these activities.

**Observations:**

We haphazardly selected a sample of grant obligations, which included salaries and wages, consulting, travel and meetings and other expenses and traced them to the general ledger and supporting documentation. We noted that the grant funds received were not in excess of the obligations and that all the obligations had recorded activity against them. We agreed the grant revenues to the general ledger and also traced the expenditures against those revenues to the general ledger. We noted that the revenues are accrued monthly and adjusted based on actual reimbursements within 30 business days.

**Conclusion:**

Based on the results of our procedures, we did not note any revenues that were not correctly recorded and disbursed in accordance with the grants/program requirements.

**8. Determine whether activities related to the grants occurred when the Foundation incurred the expenditure**

**Procedures:**

- Select the samples of the documents supporting the activity, test the preparation process, and note whether the documentation supports the grant-authorized activity.
- From the grant agreements, obtain an understanding of the nature and timing of the activities and relate such activities to the expenditures allowed and incurred.
- Identify any differences and/or exceptions, as a result of the above sampling. If material, extend the work to look for the reasonableness of such differences or exceptions.

**Observations:**

We haphazardly selected a sample of grant expenditures of salaries and wages, consulting, travel and meeting costs (as noted above), and traced them to the general ledger and supporting documentation. We noted that the grant expenditures incurred were allowable and that all meeting costs occurred on dates that agreed to the grant agreements.

**Conclusion:**

Based on the results of our procedures, we did not note any instances where activities related to the grants did not occur when the Foundation incurred the expenditure.

**9. Ascertain the costs charged to the meetings are in compliance with the grant agreements**

**Procedures:**

- Obtain the schedule of meetings in the grant agreements. Select a sample of the meetings from general ledger detail reports and trace the activity of individuals involved in the meetings to their time and effort reports, to ascertain that costs charged are based on the actual effort devoted to the various functional and programmatic activities, and are allocated in accordance with the Foundation's policies and the terms of the grants.

- Obtain and review the minutes of the meetings to ascertain the subject matter discussed was in accordance with the grants and determine that the names of all individuals who charged time to the meeting are included in the list of attendees.

**Observations:**

We obtained the schedule of meetings for all projects that are allowed under the grant agreements, selected a sample of the meetings from general ledger detail reports, and traced the individuals involved in the meetings to their time and effort reports to ascertain that these costs are based on the actual effort devoted to the various functional and programmatic activities, and are allocated in accordance with the Foundation's policies and the terms of the grants. We obtained and reviewed the minutes of the meetings to ascertain the subject matter discussed was in accordance with the grant agreements. We noted that the names of all individuals who charged time to the meeting were included in the list of attendees.

**Conclusion:**

Based on the results of our procedures, we did not note any costs charged to meetings that were not in compliance with the grant agreements.

**10. Ascertain that the costs charged to the grants for conference calls are in compliance with the grant agreements**

**Procedures:**

- Select a sample of the conference calls from the general ledger detail and trace the activity of individuals involved in the conference calls to their time and effort reports to ascertain that these costs are based on the actual efforts devoted to the various functional and programmatic activities and are allocated in accordance with the Foundation's policies and the terms of the grants.
- Obtain and review the minutes of the conference calls to ascertain that the time charged to the conference calls was spent on projects that are allowable under the grant agreements.

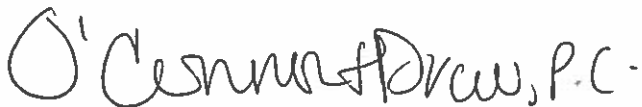
**Observations and Conclusion:**

We obtained the general ledger detail for telephone expense and noted that no conference calls were charged to the grants during 2017.

**Summary:**

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Foundation's compliance with the grant agreements during the grant year ended September 30, 2017. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council and is not intended to be and should not be used by anyone other than these specified parties.



**Certified Public Accountants  
Braintree, Massachusetts**

April 24, 2018



# The American Guild of Appraisers

## Guild #44 OPEIU / AFL-CIO

Michael Ford, Chairman National Appraiser Peer Review Committee; Vice President Special Projects  
1(714)366 9404 cellular

6

May 20, 2018

7  
8 Ms Margie Shanks, Deputy Secretary of the Board of Governors,  
9 Office of the Ombudsman  
10 Federal Reserve Board  
11 20<sup>th</sup> & C Streets, NW, Mail Stop 28  
12 Washington, D.C. 20551  
13 [Ombudsman@frb.gov](mailto:Ombudsman@frb.gov)

14  
15 RE Division of Supervision and Regulation  
16 LISCC Portfolio Listed Regulated Bank (Bank of America)

17  
18 Consumer Financial Protection Bureau,  
19 Attn: CFPB Ombudsman's Office  
20 1700 G St. N.W.  
21 Washington, D.C. 20552  
22 [CFPBOmbudsman@cfpb.gov](mailto:CFPBOmbudsman@cfpb.gov)

23  
24 Mr. James Park, Executive Director,  
25 Appraisal Subcommittee  
26 Federal Financial Institutions Examination Council  
27 1401 H Street, Suite 760  
28 Washington DC 20005  
29 [Jim@asc.gov](mailto:Jim@asc.gov)

30  
31 Mr. David S. Bunton, President  
32 The Appraisal Foundation  
33 1155 15<sup>th</sup> St., NW, Suite 1111  
34 Washington, DC 20005  
35 [david@appraisalfoundation.org](mailto:david@appraisalfoundation.org)

36  
37 Appraisal Standards Board  
38 ASB Chair Ms Margaret Hambleton  
39 The Appraisal Foundation  
40 1155 15<sup>th</sup> St., NW, Suite 1111  
41 Washington, DC 20005  
42 c/o Mr. Brenan below  
43

44  
45 Appraisal Standards Board  
46 Mr. John Brennan, Director of Appraisal Issues  
47 The Appraisal Foundation  
48 1155 15<sup>th</sup> St., NW, Suite 1111  
49 Washington, DC 20005  
50 [john@appraisalfoundation.org](mailto:john@appraisalfoundation.org)  
51  
52  
53  
54

55 May 20, 2018

56  
57 Improper direction to appraisers as a new special lender condition

58  
59 Honorable Ladies and Gentlemen:

60  
61 The following article appeared in a recent online post at [http://appraisersblogs.com/appraisers-](http://appraisersblogs.com/appraisers-asked-2-overlook-weed-cultivation#comment-21341)  
62 [asked-2-overlook-weed-cultivation#comment-21341](http://appraisersblogs.com/appraisers-asked-2-overlook-weed-cultivation#comment-21341) (also copied to this letter following our inquiry).  
63

64 We consider the original author to be a credible source.  
65

66 Due to the serious implications of any appraisal management service giving such specific  
67 prohibited direction to appraisers involved in federally regulated transactions we believe it to be our  
68 duty to bring this to your collective attention.  
69

70 We respectfully request that each Federal Regulatory Agency review this issue and contact  
71 Bank of America and confirm whether this direction to appraisers is at their behest, and constitute  
72 their instructions and special assignment conditions / directives?  
73

74 At the same time, we also ask the TAF/ASB to publish an expedited and updated Advisory  
75 Opinion specific to this issue. We believe existing USPAP and Advisories already deal with this but  
76 due to the gravitas the referenced corporations are perceived to have nationally on lending and  
77 appraisal issues, we believe an *unambiguous* response by the ASB is urgently needed.  
78

79 As TAF can only speak to USPAP, we further ask that each applicable federal regulatory  
80 agency having jurisdiction over all possible transactions that may fall into this category state or  
81 restate the Federal Government's position with respect to property appraisals where conditions that  
82 violate federal drug laws (or any other federal law violations) are observed.  
83

84 Is it only marijuana related violations of federal law that appraisers are being asked to keep  
85 mum about, or could this practice of hear, see & speak no evil also include other drugs such as  
86 heroin processing, opium growth, methamphetamines /speed, or cocaine/crack 'cooking'?  
87

88 Is the appraisal management service's directed carve-out only an exception to the federal drug  
89 laws; or will other federal laws such as prohibitions against child porn, sexual slavery & human  
90 trafficking for prostitution, or kidnapping / holding of illegal immigrants hostage for payments also be  
91 directed to be ignored?  
92

93 Will FNMA and FreddieMac be disclosing to potential investors that the bundled securities  
94 offered to Wall Street and international as well as national investors may include properties known to  
95 be in violation of United States drug laws that may result in the seizure of the collateral for those  
96 securities?  
97

98 Similarly, is the Veterans Affairs Department going to knowingly be guaranteeing mortgage  
99 loans where cultivation of marijuana for personal and or commercial use? Is HUD aware it may in the  
100 future be insuring loans secured by property subject to potential forfeiture to other federal agencies?  
101

102  
103 Will B of A be required to disclose to their investors that they are engaged or intend to engage  
104 in risky lending practices where the collateral can be seized under existing federal laws?  
105

106 Will unions, insurers, and municipal – state retirement systems that invest in real estate also  
107 be told the portfolio(s) could include property subject to seizure?  
108

109 It's doubtful incidents of this type will be as rare as after-the-fact public denials may suggest. If  
110 that were the case, then the obvious question becomes "Why was it necessary for B of A or  
111 CoreLogic implement such a policy-directive in the first place?"  
112

113 Lastly, isn't it time all federal agencies and GSE's reconsider their over reliance on CoreLogic  
114 (CL) and their various services, if they (CL) think actions like this are acceptable? Certainly, they  
115 should immediately sever any and all business relationships and/or information sharing programs with  
116 companies that think it is acceptable to ignore federal law.  
117

118 We recognize federal agencies cannot control CoreLogics membership or undue influence on  
119 the boards of MISMO and The Appraisal Foundation but partnerships with GSEs could be controlled  
120 could they not?  
121

122 Additionally, the ongoing use of the CoreLogic data monopoly by the Treasury Department and  
123 all other federal agencies using RealQuest or Realist or other analytics from this corporate  
124 conglomerate should be reviewed before the reliance is so great that no matter what violations of  
125 federal laws are espoused or facilitated, a blind eye becomes the only solution.  
126

127 We think the federal government may already have become too dependent on this monopoly.  
128

129 Following is the CoreLogic communication as it was posted at the above link.  
130

131 ***"Engagement Letter Update – Marijuana Cultivation and Residential Appraisals***

132 *On March 15, 2018, CoreLogic Valuation Solutions will update the lender specific instructions*  
133 *for all Bank of America products. As a result, a new engagement letter will be generated for any open*  
134 *CoreLogic Valuation Solutions appraisal assignments in AppraisalPort.*

135 ***New Marijuana Cultivation Appraisal Guidelines to be added in Bank of America***  
136 ***Engagement Letter:***

137 *If [marijuana](#) cultivation is observed during the appraisal property inspection, it shall not*  
138 *preclude the assignment from being completed and delivered to Bank of America. In these instances,*  
139 *do not inquire specifically as to the purpose/legality of any cultivation activities. Do not request any*  
140 *specific information (such as grow permit/license) from the owner/occupant/entry contact regarding*  
141 *any cultivation activities.*

142           *The appraiser should photograph all areas required by the assignment type and report/analyze*  
143 *physical changes/conditions/characteristics that impact value/marketability of the property, as*  
144 *applicable.*

145           *If you have any questions, please contact the scheduler listed on your engagement letter.*

146           *Thank you,*

147           **Corelogic Valuation Solutions”**

148  
149           Submitted on behalf of or appraisal members, and the 12 ½ million members, retirees and  
150 taxpaying consumers of our parent unions #44OPEIU, AFL-CIO.

151  
152           Respectfully,

153  
154  
155  
156 Michael F. Ford  
157 American Guild of Appraisers  
158 Chairman NAPRC /V.P. Special Projects  
159 Mobile (714) 366-9404  
160 AGA Office (301) 377-0099  
161 [Mike@mfford.com](mailto:Mike@mfford.com) or  
162 <http://www.appraisersguild.org>



## Lori L. Schuster

---

**From:** David Derry <covedave5@gmail.com>  
**Sent:** Saturday, May 12, 2018 2:33 AM  
**To:** Lori L. Schuster  
**Subject:** Re: Status of Request for one-year extension of Implementation Period

Hi Ms. Schuster,

Thank you very much for the notification. That's a big relief for our Board and the state department. The AMC bill has passed both houses of the Alaska legislature and been transmitted to the governor. We don't know if he will sign it or allow it to become law w/o his signature, but our legislature is in it's final session wrap up and everyone is struggling with the budget right now, so I'm sure AMC legislation is not at the top of the action list for him.

We had a board meeting today and we are moving ahead with starting to draft regulations for AMC oversight.

Please pass our huge thank you to the ASC for approval. Through all of the legislative hearings, we had a few legislators that were very skeptical about our success in getting an extension, and wanted to charge ahead with an effective date without regulations, which would be a confusing mess.

Dave Derry, MAI, AI-GRS  
Chair, Alaska Board of Certified Real Estate Appraisers

On Fri, May 11, 2018 at 8:33 AM, Lori L. Schuster <[lori@asc.gov](mailto:lori@asc.gov)> wrote:

Good afternoon,

The Appraisal Subcommittee (ASC) met on May 9, 2018 and voted (preliminary) approval of the February 8<sup>th</sup> Alaska Department of Commerce, Community and Economic Development request for a one-year extension of Implementation Period. The ASC will submit its findings to the Federal Financial Institutions Examination Council (FFIEC) for its consideration. You will be notified once the ASC has received the FFIEC's decision.

Please contact your Policy Manager, Claire Brooks, at [Claire@asc.gov](mailto:Claire@asc.gov) if you have any questions.

Thank you.

Lori Schuster

Management and Program Analyst

Appraisal Subcommittee-FFIEC

[1401 H Street NW, Suite 760](#)

[Washington, DC 20005](#)

Confidentiality Notice: The information contained in this transmittal, including attachments if any, may be confidential or privileged under applicable law, or otherwise may be protected from disclosure to anyone other than the intended recipient(s). Any review, use or copying of the contents of this e-mail or its attachments by any person other than the intended recipient for any purpose other than its intended use, is strictly prohibited and may be unlawful. This communication is not intended as a waiver of the confidential, privileged or exempted status of the information transmitted. If you have received this e-mail in error, you should permanently delete the e-mail and any attachments. Do not save, copy, disclose, or rely on any part of the information contained in this e-mail or its attachments. Also immediately notify the sender of the misdirection of this transmittal. Your cooperation is appreciated.

**State Program Summary Report**

State or Territory	AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	GU	HI
Review Year	2018	2017	2016	2018	2016	2016	2018	2017	2017	2017	2018	2015	2017
Review Month	Jan	Jul	Jun	Mar	Oct	Sep	Jun	Jan	Apr	Feb	Mar	Nov	Dec
ASC Finding	Good	Good	Excel	Good	Excel	Excel	Excel	Good	Good	Excel	Good	Good	Excel
Review Cycle Assigned (in years)	2	2	2	2	2	2	2	2	2	2	2	2	2
Required State Actions or Off Site Monitoring													
Follow-Up ( in months)													
Out of Compliance (OC) Area of Concern (AC)	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC
Statutes, Regulations, Policies and Procedures:		1		1			1					2	1
Temporary Practice:	1								1				
National Registry:		1		1			1				1		
Application Process:										1			1
Reciprocity:													1
Education:							1						
Enforcement													1
TOTAL OUT OF COMPLIANCE	1	-	-	1	-	-	-	-	-	-	-	2	-
TOTAL AREA OF CONCERN	2	2	-	2	-	-	-	1	1	-	1	4	-
<b>Last Review Finding</b>	Good (2016)	Good (2015)	Excel (2014)	Good (2016)	Good (2014)	Excel (2014)	Good (2016)	Good (2015)	Good (2015)	Good (2015)	Excel (2016)	Needs Imp (2013)	Good (2015)
<b>Previous Review Finding</b>	Good (2014)	Not Sat (2014)	NISC (2012)	Good (2014)	NISC (2012)	ISC (2012)	Good (2014)	NISC (2013)	NISC (2013)	ISC (2013)	Needs Imp (2014)	ISC (2007)	Good (2013)
FTE	5.6	0.57	3.6	3	30.9	10.5	1.75	0.5	1.5	9	5.8	0.14	0.75
Independent or Under Umbrella (I/UU)	I	UU	UU	I	UU	UU	UU	UU	UU	UU	I	UU	UU
Board	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
# Credentials on National Registry	1,369	239	2,045	1,369	10,416	2,594	1,314	564	727	6,024	3,354	21	572
# Trainees	86	10	75	86	528	n/a	58	43	49	431	103	3	23
Complaints Received in Review Cycle	107	15	206	107	547	282	60	24	19	364	247	0	14
Complaints Outstanding	28	2	20	28	103	115	8	9	2	78	50	0	5
Complaints Outstanding Over 1 Year (No SDC)	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Documented Circumstances (SDC)	6	0	0	6	2	7	0	1	0	2	2	0	0
AMC Laws and Regulations	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Pending

Legend: NISC = Not in Substantial Compliance; ISC = In Substantial Compliance; NIC = Not in Compliance; Excel = Excellent; Needs Imp = Needs Improvement; Not Sat = Not Satisfactory

**State Program Summary Report**

State or Territory	ID	IL	IN	IA	KS	KY	LA	ME	CNMI	MD	MA	MI	MN
Review Year	2017	2017	2017	2017	2017	2017	2018	2017	2015	2018	2016	2016	2016
Review Month	Apr	Nov	Jan	Jul	Oct	Mar	Apr	May	Nov	Apr	May	Sep	Sep
ASC Finding	Excel	Needs Imp	Good	Excel	Excel	Excel	Excel	Good	Needs Imp	Excel	Needs Imp	Good	Good
Review Cycle Assigned (in years)	2	2	2	2	2	2	2	2	2	2	2	2	2
Required State Actions or Off Site Monitoring		Yes							Yes		Yes		
Follow-Up ( in months)													
Out of Compliance (OC) Area of Concern (AC)	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC	OC AC
Statutes, Regulations, Policies and Procedures:			2		1				1		2		1
Temporary Practice:												1	
National Registry:			3									1	2
Application Process:			1	1						1		1	
Reciprocity:													
Education:			1										
Enforcement			1							1		1	1
TOTAL OUT OF COMPLIANCE	-		5		-		-		-	1		2	1
TOTAL AREA OF CONCERN	-		4		1		-		-	-		2	2
<b>Last Review Finding</b>	Good (2015)	Needs Imp (2013)	Needs Imp (2015)	Excel (2015)	Excel (2015)	Excel (2015)	Good (2016)	Good (2015)	Needs Imp (2013)	Good (2016)	Needs Imp (2014)	Good (2014)	Good (2014)
<b>Previous Review Finding</b>	NISC (2013)	Needs Imp (2013)	ISC (2013)	Excel (2013)	Excel (2013)	ISC (2013)	Good (2014)	Excel (2013)	ISC (2007)	Good (2014)	NISC (2012)	NISC (2012)	NISC (2012)
FTE	0.1	3.6	3.1	0.95	2	2.2	3	0.57	0.3	3.5	2.35	2.1	2.25
Independent or Under Umbrella (I/UU)	UU	UU	UU	UU	1	UU	UU	UU	UU	UU	UU	UU	UU
Board	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
# Credentials on National Registry	699	3,871	2,094	1,111	981	1,399	1,313	557	9	2,200	2,103	2,741	1,949
# Trainees	35	442	113	95	13	184	216	27	0	195	200	379	248
Complaints Received in Review Cycle	46	416	106	92	28	42	49	67	0	100	214	131	475
Complaints Outstanding	13	71	37	12	4	17	9	13	0	12	39	66	116
Complaints Outstanding Over 1 Year (No SDC)	2	8	0	0	0	0	0	0	0	0	17	2	0
Special Documented Circumstances (SDC)	0	17	3	0	0	0	0	1	0	1	4	6	7
AMC Laws and Regulations	No	Yes	Yes	Pending	Yes	Yes	Yes	No	No	Yes	No	Yes	Yes

Legend: NISC = Not in Substantial Compliance; ISC = In Substantial Compliance; NIC = Not in Compliance; Excel = Excellent; Needs Imp = Needs Improvement; Not Sat = Not Satisfactory

**State Program Summary Report**

State or Territory	MS		MO		MT		NE		NV		NH		NJ		NM		NY		NC		ND		OH	
Review Year	2017		2018		2017		2017		2018		2017		2016		2017		2017		2016		2016		2017	
Review Month	May		Jun		Sep		Mar		June		May		Sep		Apr		Sep		Nov		Jun		Aug	
ASC Finding	Excel		Good		Good		Good		Good		Excel		Needs Imp		Needs Imp		Good		Excel		Excel		Excel	
Review Cycle Assigned (in years)	2		2		2		2		2		2		2		2		2		2		2		2	
Required State Actions or Off Site Monitoring													Yes		Yes									
Follow-Up ( in months)															10									
Out of Compliance (OC) Area of Concern (AC)	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC
Statutes, Regulations, Policies and Procedures:				1				1					1	1		2								
Temporary Practice:								1																
National Registry:					1				2				1	1				2						
Application Process:													1		1									
Reciprocity:																								
Education:																								
Enforcement									1						4									
TOTAL OUT OF COMPLIANCE		-		-		-		-		-		-		2		5		-		-		-		-
TOTAL AREA OF CONCERN		-		1		1		2		3		-		2		2		2		-		-		-
<b>Last Review Finding</b>	Needs Imp (2015)	Excel (2016)	Good (2015)	Good (2015)	Excel (2016)	Excel (2015)	Needs Imp (2014)	Good (2015)	Needs Imp (2015)	Excel (2014)	Good (2014)	Excel (2015)												
<b>Previous Review Finding</b>	ISC (2013)	Good (2014)	Needs Imp (2013)	Good (2013)	Good (2014)	Good (2013)	NISC (2012)	Good (2013)	Needs Imp (2013)	ISC (2012)	ISC (2012)	Good (2013)												
FTE	4.8	2	3.8	3	2.4	1.8	4.5	3.95	3.8	10	1.5	5.5												
Independent or Under Umbrella (I/UU)	UU	UU	UU	I	UU	UU	UU	UU	UU	I	I	UU												
Board	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes												
# Credentials on National Registry	1,066	2,045	382	646	967	733	2,651	641	3,804	2,970	283	2,944												
# Trainees	31	74	27	49	87	13	57	71	446	333	34	296												
Complaints Received in Review Cycle	66	77	36	28	61	34	88	46	153	193	27	145												
Complaints Outstanding	10	15	6	4	37	4	26	31	31	40	15	42												
Complaints Outstanding Over 1 Year (No SDC)	0	0	0	1	5	0	0	8	0	0	0	0												
Special Documented Circumstances (SDC)	2	0	0	3	1	0	8	3	5	0	6	0												
AMC Laws and Regulations	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No												

Legend: NISC = Not in Substantial Compliance; ISC = In Substantial Compliance; NIC = Not in Compliance; Excel = Excellent; Needs Imp = Needs Improvement; Not Sat = Not Satisfactory

**State Program Summary Report**

State or Territory	OK		OR		PA		PR		RI		SC		SD		TN		TX		UT		VT		VI	
Review Year	2017		2016		2016		2015		2017		2017		2016		2017		2018		2017		2016		2016	
Review Month	Sep		Jul		May		Dec		Oct		Feb		Aug		Jan		Feb		Jul		Aug		Nov	
ASC Finding	Excel		Excel		Needs Imp		Good		Excel		Excel		Excel		Good		Good		Good		Needs Imp		Needs Imp	
Review Cycle Assigned (in years)	2		2		2		2		2		2		2		2		2		2		2		2	
Required State Actions or Off Site Monitoring					Yes																		Yes	
Follow-Up ( in months)					12																		6 to 9	
Out of Compliance (OC) Area of Concern (AC)	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC
Statutes, Regulations, Policies and Procedures:					1			1							1				1				2	1
Temporary Practice:						1																		
National Registry:															1			2				2		1
Application Process:					1			1							1							1		
Reciprocity:																								1
Education:						1																		
Enforcement					1						1									1		1		
<b>TOTAL OUT OF COMPLIANCE</b>	-		-		3		-		-		-		-		1		-		-		3		3	
<b>TOTAL AREA OF CONCERN</b>	-		-		2		2		-		1		-		2		2		2		1		2	
<b>Last Review Finding</b>	Good (2015)	Good (2014)	Needs Imp (2014)		Good(2013)	Needs Imp (2015)		Needs Imp (2015)	Good (2014)	Excel (2015)	Excel (2016)	Good (2015)	Good (2014)	Needs Imp (2014)										
<b>Previous Review Finding</b>	Excel (2013)	ISC (2012)	NISC (2012)		ISC (2012)	Good (2013)	ISC (2013)	ISC (2012)	ISC (2013)	Good (2014)	NISC (2013)	NISC (2012)	NISC (2012)											
FTE	3.75	4.4	3.5		0.2	1.7	3.1	2	1.5	13.5	3.41	0.24	1											
Independent or Under Umbrella (I/UU)	UU	I	UU		UU	UU	UU	UU	UU	I	UU	UU	UU											
Board	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes											
# Credentials on National Registry	997	1,475	3,247		382	439	1,991	362	1,950	5,256	1,206	248	27											
# Trainees	77	80	327		n/a	145	156	53	225	999	103	128	n/a											
Complaints Received in Review Cycle	87	127	292		9	4	221	9	124	330	103	9	1											
Complaints Outstanding	43	80	152		3	0	47	6	31	65	36	7	0											
Complaints Outstanding Over 1 Year (No SDC)	0	0	53		0	0	0	0	0	0	0	0	0											
Special Documented Circumstances (SDC)	2	5	14		0	0	1	1	3	6	15	4	0											
AMC Laws and Regulations	Yes	Yes	Yes		No	Pending	No	Yes	Yes	Yes	Yes	Yes	No											

Legend: NISC = Not in Substantial Compliance; ISC = In Substantial Compliance; NIC = Not in Compliance; Excel = Excellent; Needs Imp = Needs Improvement; Not Sat = Not Satisfactory

**State Program Summary Report**

State or Territory	VA		WA		WV		WI		WY			
Review Year	2017		2016		2016		2017		2017		# Excel	23
Review Month	Aug		May		Dec		Jun		Aug		# Good	23
ASC Finding	Good		Excel		Good		Needs Imp		Good		# Needs Imp	9
Review Cycle Assigned (in years)	2		2		2		2		2		# Not Sat	0
Required State Actions or Off Site Monitoring							Yes				# Poor	0
Follow-Up ( in months)							12					
Out of Compliance (OC) Area of Concern (AC)	OC	AC	OC	AC	OC	AC	OC	AC	OC	AC	OC TOTAL	AC TOTAL
Statutes, Regulations, Policies and Procedures:						1		2		2	11	21
Temporary Practice:											1	4
National Registry:						1		1			6	18
Application Process:							2				8	6
Reciprocity:											0	2
Education:											0	3
Enforcement		1			2			1			9	9
TOTAL OUT OF COMPLIANCE		-		-		2		2		-	35	
TOTAL AREA OF CONCERN		1		-		2		4		2		63
<b>Last Review Finding</b>	Needs Imp (2015)		Excel (2014)		Needs Imp (2015)		Good (2015)		Good (2015)			
<b>Previous Review Finding</b>	ISC (2013)		NISC (2012)		NISC (2012)		Needs Imp (2013)		Good (2013)			
FTE	1.8		8		2.45		3.8		1.5			
Independent or Under Umbrella (I/UU)	UU		UU		I		UU		UU			
Board	Yes		Yes		Yes		Yes		Yes			
# Credentials on National Registry	3,363		2,603		572		1,897		316			
# Trainees	107		192		26		n/a		81			
Complaints Received in Review Cycle	182		164		27		114		19			
Complaints Outstanding	34		37		4		24		3			
Complaints Outstanding Over 1 Year (No SDC)	0		0		0		2		0			
Special Documented Circumstances (SDC)	0		1		0		2		0			
AMC Laws and Regulations	Yes		Yes		Yes		No		Yes			

Legend: NISC = Not in Substantial Compliance; ISC = In Substantial Compliance; NIC = Not in Compliance; Excel = Excellent; Needs Imp = Needs Improvement; Not Sat = Not Satisfactory

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**Appraisal Subcommittee**  
*Federal Financial Institutions Examination Council*

May 29, 2018

Ms. Diana Piechocki, Executive Director  
Arkansas Appraiser Licensing and Certification Board  
101 E. Capitol, Suite 430  
Little Rock, AR 72201

RE: ASC Compliance Review of Arkansas' Appraiser Regulatory Program

Dear Ms. Piechocki:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Arkansas appraiser regulatory program (Program) on March 6–8, 2018, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) is attached.

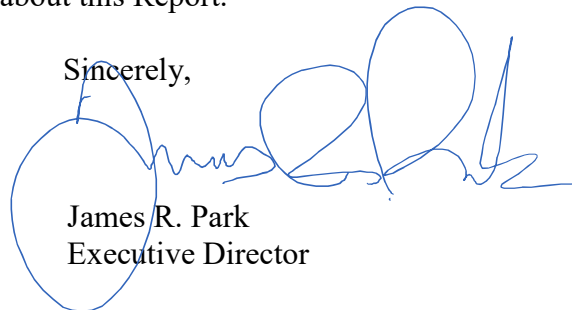
The ASC identified the following area of non-compliance:

- States must, at a minimum, adopt and/or implement all relevant AQB Criteria.<sup>1</sup>

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Arkansas 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,



James R. Park  
Executive Director

Attachment

cc: Ms. Shannon Mueller, Board Chair

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<sup>1</sup> Legal citing.



## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul>	1-year
Poor <sup>2</sup>	<ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>	Continuous monitoring

\*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

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<sup>2</sup> An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.

## ASC Compliance Review Report

**ASC Finding: Good**  
**Final Report Issue Date: May 29, 2018**

<b>Arkansas Appraiser Regulatory Program (State)</b>		<b>Arkansas Appraiser Licensing and Certification Board (Board)</b>	<b>PM: C. Brooks</b>	<b>ASC Compliance Review Date: March 6-8, 2018</b>	<b>Review Period: March 2016 to March 2018</b>
<b>Umbrella Agency: Independent</b>			<b>Number of State Credentialed Appraisers on National Registry: 821</b>	<b>Review Cycle: Two Year</b>	

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
<b>Statutes, Regulations, Policies and Procedures:</b>		<b>X</b>					
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.)				The State's regulation XI does not comply with Title XI which requires that any requirements established for individuals in the position of 'Trainee Appraiser' and 'Supervisory Appraiser' shall meet or exceed the minimum qualification requirements of the AQB. AQB Criteria requires appraiser trainees to be subject to direct supervision by a supervisory appraiser who shall be State certified.	On May 11, 2018, the State reported the Rules, Regulations and Policy Committee is currently working to draft the proposed revisions to the Statutes and Rules/Regulations to correct the deficiencies.	The State must continue the process amend its regulation to bring it into compliance with AQB Criteria and reflect what is done in practice. A copy of the regulation should be provided to ASC staff once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 1.
<b>Temporary Practice:</b>	<b>X</b>			No compliance issues noted.	N/A	None	None
<b>National Registry:</b>			<b>X</b>				
States must submit all disciplinary actions to the ASC for inclusion on the National Registry. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 A, D, E.)				The State did not report all disciplinary actions to the ASC National Registry.	On May 11, 2018, the State reported the missing discipline was reported to the ASC National Registry. In addition, a new Chief Investigator was hired who will be responsible for posting disciplinary actions to the ASC National Registry to prevent an oversight in the future.	The State should develop a procedure to ensure that it submits all disciplinary actions to the ASC National Registry in a timely manner.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
<b>Application Process:</b>	<b>X</b>			No compliance issues noted.	N/A	None	None

### ASC Compliance Review Report

ASC Finding: Good  
Final Report Issue Date: May 29, 2018

<b>Arkansas Appraiser Regulatory Program (State)</b>			
<b>Arkansas Appraiser Licensing and Certification Board (Board)</b>	PM: C. Brooks	ASC Compliance Review Date: March 6-8, 2018	Review Period: March 2016 to March 2018
Umbrella Agency: Independent		Number of State Credentialed Appraisers on National Registry: 821	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				
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None
<b>Education:</b>			X	A distance education course was approved for continuing education (CE) without the required delivery mechanism approval.	On May 11, 2018, the State reported the course was immediately removed from the approved course listing. The 3 appraisers who took the course were notified the course would not be eligible for CE credit. In addition, the State's education course approval checklist was updated to ensure distance education delivery mechanism approval is always checked.	The State should monitor its process to ensure the appropriate delivery mechanism approval has been obtained on all approved distance education courses.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 6.
<b>Enforcement:</b>	X			No compliance issues noted.	N/A	None	None

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**Appraisal Subcommittee**  
*Federal Financial Institutions Examination Council*

August 13, 2018

Ms. Linda M. Kieft-Robitaille  
Real Estate Examiner  
Real Estate Unit  
Department of Consumer Protection  
450 Columbus Boulevard, Suite 901  
Hartford, CT 06103-1840

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

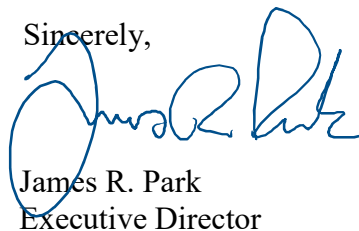
Dear Ms. Kieft-Robitaille:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Connecticut appraiser regulatory program (Program) on June 11-13, 2018, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the Program has been awarded an ASC Finding of "Excellent." Connecticut will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) is attached.

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,



James R. Park  
Executive Director

Attachment

cc: Ms. Michelle H. Seagull, Commissioner  
Ms. Julianne Avallone, Director, Legal Division  
Mr. Richard Hurlburt, Director, Occupational and Professional Licensing  
Mr. Frank Virnelli, Manager, Legal Division  
Ms. Vicky Bullock, Staff Attorney

## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul>	1-year
Poor <sup>1</sup>	<ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>	Continuous monitoring

\*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

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<sup>1</sup> An ASC Finding of “Poor” may result in significant consequences to the State. *See* Policy Statement 5, *Reciprocity*; *see also* Policy Statement 8, *Interim Sanctions*.

## ASC Compliance Review Report

ASC Finding: Excellent  
 Final Report Issue Date: August 13, 2018

<b>Connecticut Appraiser Regulatory Program (State)</b>		
Connecticut Real Estate Appraisal Commission (Board)	PM: J. Tidwell	ASC Compliance Review Date: June 11-13, 2018
Umbrella Agency: Department of Consumer Protection		Review Period: June 2016 to June 2018
		Number of State Credentialed Appraisers on National Registry: 1,314
		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				
<b>Statutes, Regulations, Policies and Procedures:</b>	X			No compliance issues noted.	N/A	None	None
<b>Temporary Practice:</b>	X			No compliance issues noted.	N/A	None	None
<b>National Registry:</b>	X			No compliance issues noted.	N/A	None	None
<b>Application Process:</b>	X			No compliance issues noted.	N/A	None	None
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None
<b>Education:</b>	X			No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>	X			No compliance issues noted.	N/A	None	None

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**Appraisal Subcommittee**  
*Federal Financial Institutions Examination Council*

April 30, 2018

Mr. D. Scott Murphy, Chairman  
Georgia Real Estate Appraisers Board  
229 Peachtree Street NE  
International Tower, Suite 1000  
Atlanta GA 30303-1605

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

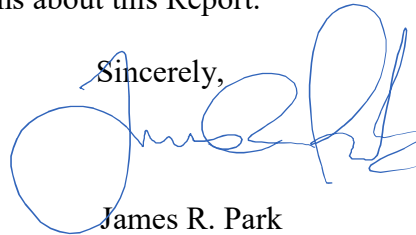
Dear Mr. Murphy:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Georgia appraiser regulatory program (Program) on March 21-23, 2018, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Program has been awarded an ASC Finding of "Good." An area of concern that was identified is being addressed by the Program. Georgia will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) is attached.

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,



James R. Park  
Executive Director

Attachment  
cc: Mr. Craig Coffee, Deputy Director

## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul>	1-year
Poor <sup>1</sup>	<ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>	Continuous monitoring

\*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

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<sup>1</sup> An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.



## ASC Compliance Review Report

**ASC Finding: Good**  
**Final Report Issue Date: April 30, 2018**

<b>Georgia Appraiser Regulatory Program (State)</b>			
<b>Georgia Real Estate Appraisers Board (Board)</b>	PM: N. Fenochietti	ASC Compliance Review Date: March 21-23, 2018	Review Period: March 2016 to March 2018
<b>Umbrella Agency: Georgia Real Estate Commission</b>		<b>Number of State Credentialed Appraisers on National Registry: 3,354</b>	<b>Review Cycle: Two Year</b>

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
<b>Statutes, Regulations, Policies and Procedures:</b>	X			No compliance issues noted.	N/A	None	None
<b>Temporary Practice:</b>	X			No compliance issues noted.	N/A	None	None
<b>National Registry:</b>			X				
States must submit all disciplinary actions to the ASC for inclusion on the National Registry. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 A, D, E.)				The State did not report all disciplinary actions to the ASC National Registry.	On April 25, 2018, the State reported that staff reviewed all disciplinary actions taken since the March 2016 Compliance Review and added all missing disciplinary actions to the National Registry. The State also implemented a new process to enter all disciplinary actions via the Extranet within 5 days of becoming final under State law.	The State should monitor this new process to ensure that it submits all disciplinary actions to the ASC National Registry in a timely manner.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
<b>Application Process:</b>	X			No compliance issues noted.	N/A	None	None
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None
<b>Education:</b>	X			No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>	X			No compliance issues noted.	N/A	None	None

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## Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

July 2, 2018

Mr. Bruce Unangst, Executive Director  
Louisiana Real Estate Appraisers Board  
9071 Interline Avenue  
Baton Rouge, LA 70809

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

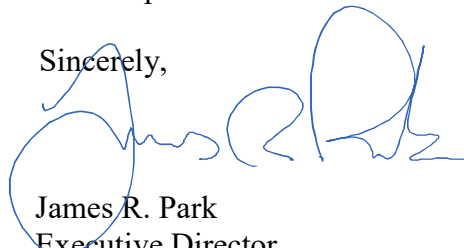
Dear Mr. Unangst:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Louisiana appraiser regulatory program (Program) on April 18-20, 2018, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Program has been awarded an ASC Finding of "Excellent." Louisiana will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) is attached.

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", is written over the typed name and title.

James R. Park  
Executive Director

Attachment

cc: Ms. Summer Mire, Confidential Assistant  
Ms. Anne Brassett, Program Administrator

## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul>	1-year
Poor <sup>1</sup>	<ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>	Continuous monitoring

\*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

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<sup>1</sup> An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.

## ASC Compliance Review Report

ASC Finding: Excellent  
Final Report Issue Date: July 2, 2018

**Louisiana Appraiser Regulatory Program (State)**

<b>Louisiana Real Estate Appraisers Board (Board) / Decision Making</b>	PM: N. Fenochietti	ASC Compliance Review Date: April 18-20, 2018	Review Period: February 2016 to April 2018
<b>Umbrella Agency: Real Estate Commission</b>		Number of State Credentialed Appraisers on National Registry: 1,310	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				
<b>Statutes, Regulations, Policies and Procedures:</b>	X			No compliance issues noted.	N/A	None	None
<b>Temporary Practice:</b>	X			No compliance issues noted.	N/A	None	None
<b>National Registry:</b>	X			No compliance issues noted.	N/A	None	None
<b>Application Process:</b>	X						
States must complete audits of affidavits for continuing education credit claimed within sixty days from the date the renewed credential is issued. (12 U.S.C. § 3347; Policy Statement 4 F.)				The State did not conduct a prompt post-approval audit of continuing education affidavits within 60 business days.	On June 11, 2018, the State reported that based on the official State Holidays and disaster declarations requiring office closure, the State completed the audit within 60 business days.	None	The State's explanation addresses the concern.
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None
<b>Education:</b>	X			No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>	X			No compliance issues noted.	N/A	None	None

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## Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

August 10, 2018

Ms. Vanessa Beauchamp, Executive Director  
Missouri Real Estate Appraisers Commission  
3605 Missouri Boulevard  
Jefferson City, MO 65109

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

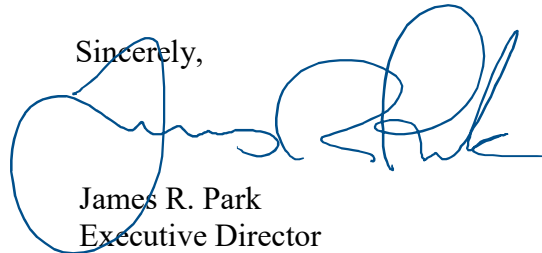
Dear Ms. Beauchamp:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Missouri appraiser regulatory program (Program) on June 25-27, 2018, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Program has been awarded an ASC Finding of "Good." An area of concern that was identified is being addressed by the Program. Missouri will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) is attached.

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 fluid and cursive, with a large initial "J" and "P".

James R. Park  
Executive Director

Attachment

cc: Ms. Katie Steele Danner, Division Director

## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul>	1-year
Poor <sup>1</sup>	<ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>	Continuous monitoring

\*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

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<sup>1</sup> An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.

## ASC Compliance Review Report

**ASC Finding: Good**  
**Final Report Issue Date: August 10, 2018**

<b>Missouri Appraiser Regulatory Program (State)</b>			
Missouri Real Estate Appraisers Commission (Commission)	PM: N. Fenochietti	ASC Compliance Review Date: June 25-27, 2018	Review Period: June 2016 to June 2018
Umbrella Agency: Department of Insurance, Financial Institutions and Professional Registration (Department)		Number of State Credentialed Appraisers on National Registry: 2,045	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				
<b>Statutes, Regulations, Policies and Procedures:</b>			<b>X</b>				
States must require that appraisals be performed in accordance with the latest version of USPAP. (12 U.S.C. § 3331; 12 U.S.C. § 3347; Policy Statement 1.F.)				The State's statutes have not been amended to adopt the 2018-2019 edition of USPAP.	On August 7, 2018 the State provided ASC staff a copy of the amended Rules effective August 17, 2018.	The State should develop a process that ensures timely adoption of each new version of USPAP.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 1.
<b>Temporary Practice:</b>	<b>X</b>						
				No compliance issues noted.	N/A	None	None
<b>National Registry:</b>	<b>X</b>						
				No compliance issues noted.	N/A	None	None
<b>Application Process:</b>	<b>X</b>						
				No compliance issues noted.	N/A	None	None
<b>Reciprocity:</b>	<b>X</b>						
				No compliance issues noted.	N/A	None	None
<b>Education:</b>	<b>X</b>						
				No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>	<b>X</b>						
				No compliance issues noted.	N/A	None	None

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## Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

August 13, 2018

Mr. Sharath Chandra, Real Estate Administrator  
Nevada State Business Center  
3300 West Sahara Avenue, Suite 350  
Las Vegas, NV 89102

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

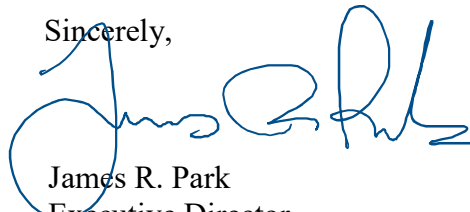
Dear Mr. Chandra:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Nevada appraiser regulatory program (Program) on May 14-16, 2018, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Program has been awarded an ASC Finding of "Good." Areas of concern that were identified are being addressed by the Program. Nevada will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) is attached.

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,



James R. Park  
Executive Director

Attachment

cc: Ms. Sharon Jackson, Deputy Administrator  
Mr. Jaye Lindsay, Appraisal Program Manager



## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul>	1-year
Poor <sup>1</sup>	<ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>	Continuous monitoring

\*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

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<sup>1</sup> An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.

## ASC Compliance Review Report

ASC Finding: Good  
Final Report Issue Date: August 13, 2018

<b>Nevada Appraiser Regulatory Program (State)</b>			
Nevada Commission of Appraisers of Real Estate (Board)	PM: J. Tidwell	ASC Compliance Review Date: May 14-16, 2018	Review Period: May 2016 to May 2018
Umbrella Agency: State of Nevada, Department of Business & Industry, Real Estate Division		Number of State Credentialed Appraisers on National Registry: 967	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				
<b>Statutes, Regulations, Policies and Procedures:</b>	X			No compliance issues noted.	N/A	None	None
<b>Temporary Practice:</b>	X			No compliance issues noted.	N/A	None	None
<b>National Registry:</b>			X				
States must submit all disciplinary actions to the ASC for inclusion on the National Registry. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 A, D, E.)				The State did not report all disciplinary actions to the ASC National Registry.	On July 19, 2018, the State attributed the lapse in reporting all disciplinary actions to the ASC National Registry to an extreme personnel transition. In addition, all missing disciplinary actions have been entered on the ASC National Registry and staff will ensure all future disciplinary actions will be reported for inclusion on the ASC National Registry.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 3.
<b>National Registry continued:</b>			X				
States must ensure the accuracy of all data submitted to the National Registry. (12 U.S.C. § 3347; Policy Statement 3 A, D, E.)				The State did not accurately report all disciplinary actions to the ASC National Registry.	On July 19, 2018, the State reported that all disciplinary actions on the ASC National Registry were reviewed and corrected. In addition, the State implemented a new procedure to ensure future disciplinary actions are reported accurately.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 3.
<b>Application Process:</b>	X			No compliance issues noted.	N/A	None	None
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None
<b>Education:</b>	X			No compliance issues noted.	N/A	None	None

## ASC Compliance Review Report

ASC Finding: Good  
 Final Report Issue Date: August 13, 2018

<b>Nevada Appraiser Regulatory Program (State)</b>			
Nevada Commission of Appraisers of Real Estate (Board)	PM: J. Tidwell	ASC Compliance Review Date: May 14-16, 2018	Review Period: May 2016 to May 2018
Umbrella Agency: State of Nevada, Department of Business & Industry, Real Estate Division		Number of State Credentialed Appraisers on National Registry: 967	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				
<b>Enforcement:</b> States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)			X	The State had 37 outstanding complaints of which 6 were unresolved for more than 1 year and none were unresolved for more than 2 years without the exemption for special documented circumstances. All aged cases are still under investigation.  Two key staff positions, Appraisal Program Manager and Investigator, while filled now, remained vacant for extended periods of time during the review cycle, specifically 4 months and 12 months respectively. With 37 open cases, the State is at risk of further falling behind in resolving complaints timely.	On July 19, 2018, the State reported making progress eliminating the backlog of older cases and has implemented a new process to ensure complaints are resolved timely.	The State should continue to monitor its process to ensure timely processing of complaints, to reduce the backlog of aged complaints, and to ensure complaints of appraiser misconduct or wrongdoing are resolved in a timely manner as required by ASC Policy Statement 7.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 7.

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**Appraisal Subcommittee**  
*Federal Financial Institutions Examination Council*

June 4, 2018

Ms. Jamie Wickliffe, Chair  
Texas Appraiser Licensing & Certification Board  
P O Box 12188  
Austin, TX 78711-2188

RE: ASC Compliance Review of Texas' Appraiser Regulatory Program

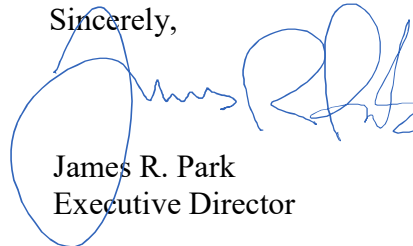
Dear Ms. Wickliffe:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Texas appraiser regulatory program (Program) on February 6-9, 2018, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Program has been awarded an ASC Finding of "Good." Areas of concern that were identified are being addressed by the Program. Texas will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) is attached.

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,



James R. Park  
Executive Director

Attachment

cc: Mr. Douglas E. Oldmixon, Commissioner  
Ms. Kristen Worman, Deputy Commissioner

## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul>	1-year
Poor <sup>1</sup>	<ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>	Continuous monitoring

\*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

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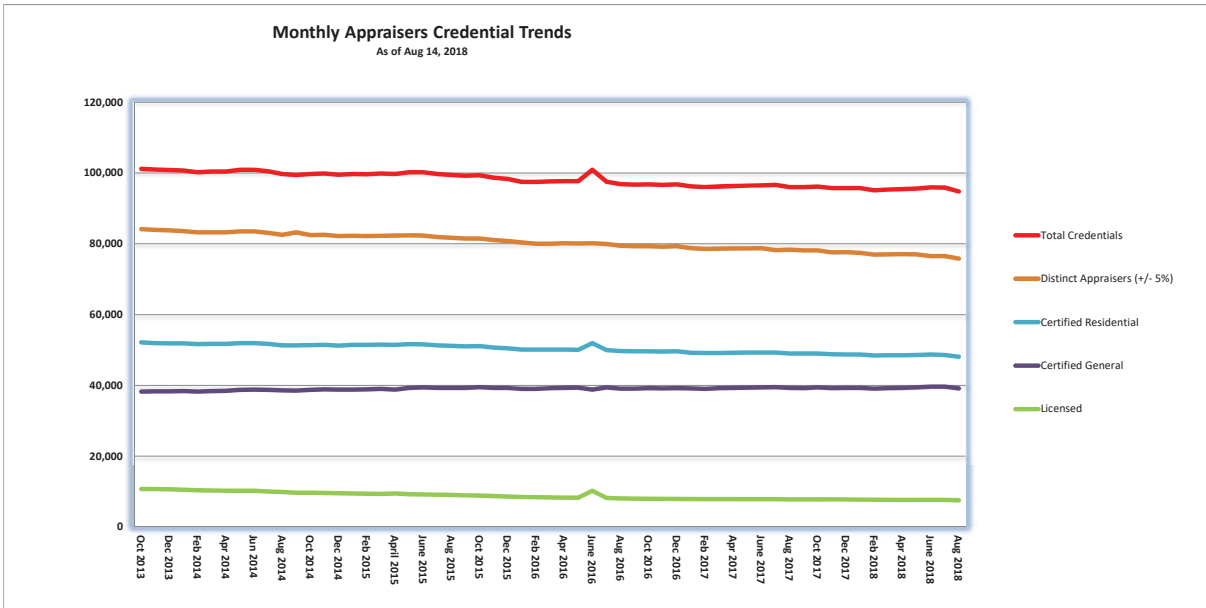
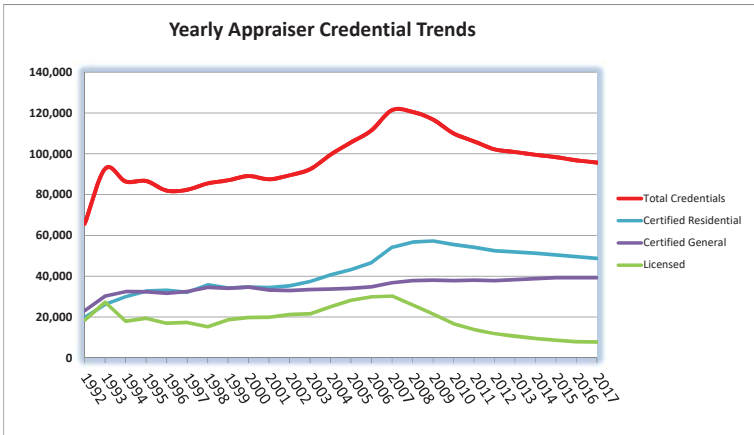
<sup>1</sup> An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.

## ASC Compliance Review Report

**ASC Finding: Good**  
**Final Report Issue Date: June 4, 2018**

<b>Texas Appraiser Regulatory Program (State)</b>			
<b>State Board Title: Texas Appraiser Licensing &amp; Certification Board (Board)</b>	PM: V. Metcalf	ASC Compliance Review Date: February 6-9, 2018	Review Period: February 2016 - February 2018
Umbrella Agency: Independent		Number of State Credentialed Appraisers on National Registry: 5,246	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				
<b>Statutes, Regulations, Policies and Procedures:</b>	X			No compliance issues noted.	N/A	None	None
<b>Temporary Practice:</b>	X			No compliance issues noted.	N/A	None	None
<b>National Registry:</b>			X				
States must ensure the accuracy of all data submitted to the National Registry. (12 U.S.C. § 3347; Policy Statement 3 A, D, E.)				The State placed on the National Registry as "active," the renewal information for 16 appraisers who were granted a Continuing Education (CE) extension.	On May 21, 2018, the State reported that the credentials were corrected on the National Registry and policies and procedures were revised to ensure future compliance. In addition, an Emergency Rule to amend how appraisers granted CE extensions are reported to the National Registry was implemented and a rule to permanently implement the Emergency Rule was proposed.	The State should continue the process of amending its regulations to adopt the Emergency Rule on a permanent basis and monitor its new procedures to ensure data entered onto the National Registry is accurate.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
<b>National Registry continued:</b>			X				
States must ensure the accuracy of all data submitted to the National Registry. (12 U.S.C. § 3347; Policy Statement 3 A, D, E.)				The State placed on the National Registry as "active," 3 appraiser credentials that were in an inactive status with the State.	On May 21, 2018, the State reported that the credentials were corrected on the National Registry and practices and procedures for processing renewal applications for appraisers requesting inactive status were revised. In addition, staff training was provided.	The State should monitor its new procedures to ensure data entered onto the National Registry is accurate.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
<b>Application Process:</b>	X			No compliance issues noted.	N/A	None	None
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None
<b>Education:</b>	X			No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>	X			No compliance issues noted.	N/A	None	None



## Year-End Appraiser Credentials

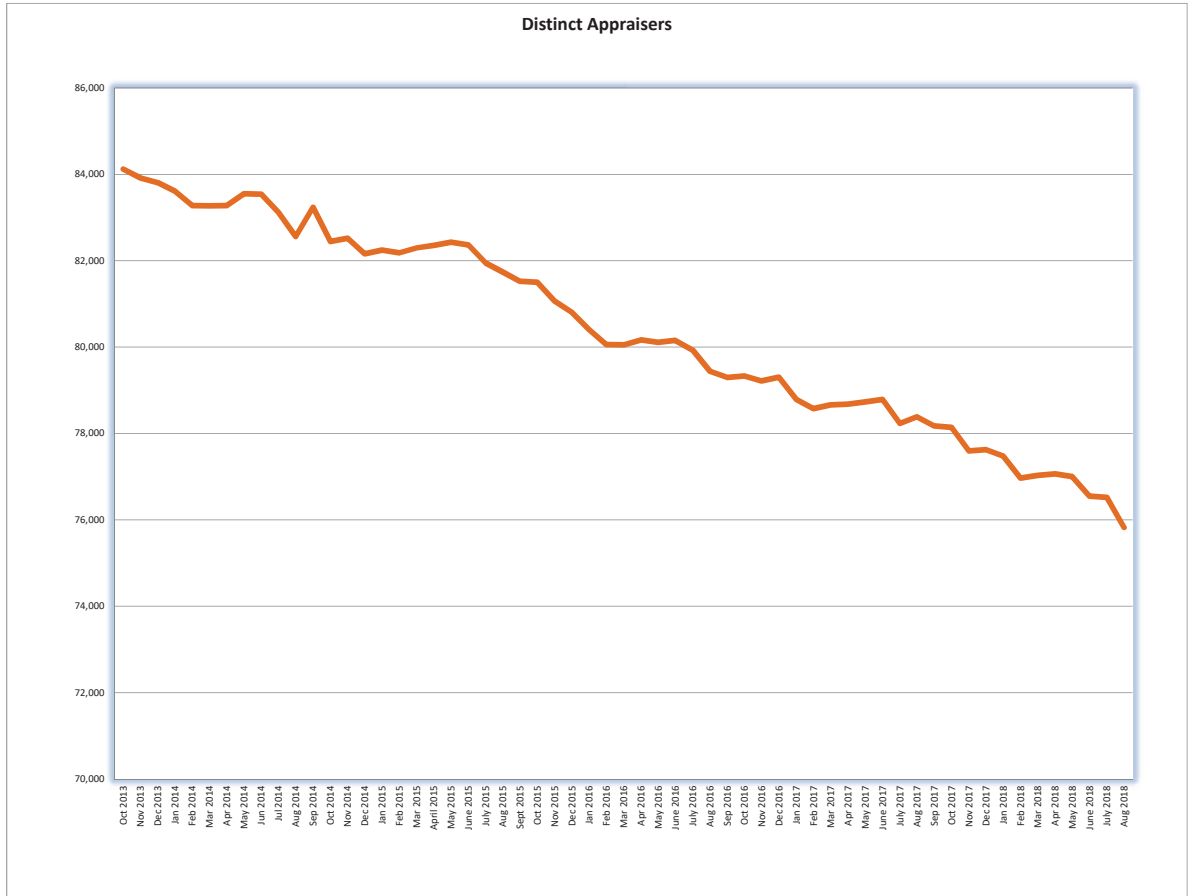
Year-End	Certified General	Certified			Total Credentials
		Residential	Licensed	Transitional	
1992	23,133	19,772	18,406	4,405	65,716
1993	30,348	26,163	27,316	8,882	92,709
1994	32,450	29,949	17,960	6,043	86,402
1995	32,305	32,733	19,375	2,244	86,657
1996	31,628	33,141	16,984	226	81,979
1997	32,519	32,161	17,371	318	82,369
1998	34,485	35,697	15,287	23	85,492
1999	34,082	34,237	18,676	24	87,019
2000	34,609	34,702	19,755	28	89,094
2001	33,246	34,401	19,837	23	87,507
2002	32,959	35,233	21,261	37	89,490
2003	33,394	37,418	21,575	47	92,434
2004	33,725	40,726	25,095	46	99,592
2005	34,074	43,327	28,185	52	105,638
2006	34,812	46,701	29,921	51	111,485
2007	36,881	54,177	30,286	63	121,407
2008	37,851	56,704	25,931	65	120,551
2009	38,061	57,253	21,434	43	116,791
2010	37,807	55,522	16,674	23	110,026
2011	38,016	54,201	13,900	13	106,130
2012	37,834	52,504	11,875	12	102,225
2013	38,332	51,893	10,648	1	100,874
2014	38,777	51,240	9,507	0	99,524
2015	39,257	50,472	8,622	0	98,351
2016	39,246	49,631	7,926	0	96,803
2017	39,262	48,720	7,749	0	95,731

## Monthly Appraiser Credential Trends

Date	Certified General	Certified Residential	Licensed	Transitional	Total Credentials	Appraisers (+/- %)
Oct 2013	38,273	52,170	10,711	1	101,155	84,122
Nov 2013	38,298	51,971	10,703	1	100,973	83,921
Dec 2013	38,332	51,893	10,648	1	100,874	83,809
Jan 2014	38,359	51,835	10,524	1	100,719	83,611
Feb 2014	38,239	51,669	10,349	0	100,257	83,276
Mar 2014	38,407	51,701	10,301	0	100,409	83,274
Apr 2014	38,473	51,751	10,190	0	100,414	83,277
May 2014	38,721	51,940	10,231	0	100,892	83,554
Jun 2014	38,818	51,936	10,202	0	100,956	83,542
Jul 2014	38,757	51,734	10,030	0	100,521	83,125
Aug 2014	38,570	51,329	9,842	0	99,741	82,562
Sep 2014	38,526	51,278	9,650	0	99,454	83,236
Oct 2014	38,735	51,384	9,635	0	99,754	82,449
Nov 2014	38,835	51,441	9,596	0	99,872	82,521
Dec 2014	38,777	51,240	9,507	0	99,524	82,164
Jan 2015	38,828	51,419	9,460	0	99,707	82,249
Feb 2015	38,865	51,448	9,358	0	99,671	82,187
Mar 2015	39,012	51,538	9,342	0	99,892	82,299
April 2015	38,828	51,419	9,460	0	99,707	82,354
May 2015	39,315	51,680	9,249	0	100,242	82,428
June 2015	39,435	51,617	9,195	0	100,247	82,366
July 2015	39,290	51,335	9,101	0	99,726	81,950
Aug 2015	39,309	51,164	9,009	0	99,482	81,740
Sept 2015	39,284	51,056	8,889	0	99,229	81,527
Oct 2015	39,480	51,085	8,833	0	99,398	81,502
Nov 2015	39,282	50,672	8,751	0	98,705	81,069
Dec 2015	39,257	50,472	8,622	0	98,351	80,806
Jan 2016	39,032	50,105	8,378	0	97,515	80,407
Feb 2016	39,027	50,104	8,379	0	97,510	80,062
Mar 2016	39,187	50,107	8,325	0	97,619	80,055
Apr 2016	39,288	50,097	8,294	0	97,679	80,170
May 2016	39,352	50,072	8,277	0	97,701	80,114
June 2016	38,818	51,936	10,202	0	100,956	80,160
July 2016	39,394	50,010	8,196	0	97,600	79,935
Aug 2016	39,099	49,672	8,078	0	96,849	79,441
Sep 2016	39,092	49,622	7,995	0	96,709	79,297
Oct 2016	39,201	49,622	8,001	0	96,824	79,334
Nov 2016	39,128	49,591	7,934	0	96,653	79,219
Dec 2016	39,246	49,631	7,926	0	96,803	79,302
Jan 2017	39,119	49,210	7,899	0	96,228	78,794
Feb 2017	39,029	49,131	7,842	0	96,002	78,577
Mar 2017	39,196	49,173	7,851	0	96,220	78,663
Apr 2017	39,256	49,214	7,854	0	96,324	78,683
May 2017	39,333	49,265	7,852	0	96,450	78,732
June 2017	39,429	49,259	7,855	0	96,543	78,789
July 2017	39,513	49,309	7,833	0	96,655	78,235
Aug 2017	39,265	48,994	7,793	0	96,052	78,386
Sep 2017	39,241	49,005	7,759	0	96,005	78,174
Oct 2017	39,404	49,022	7,778	0	96,204	78,142
Nov 2017	39,229	48,763	7,757	0	95,749	77,596
Dec 2017	39,262	48,720	7,749	0	95,731	77,629
Jan 2018	39,316	48,689	7,744	0	95,749	77,478
Feb 2018	39,087	48,420	7,635	0	95,142	76,968
Mar 2018	39,190	48,492	7,644	0	95,326	77,034
Apr 2018	39,310	48,530	7,628	0	95,468	77,066
May 2018	39,418	48,556	7,637	0	95,611	77,002
June 2018	39,627	48,700	7,638	0	95,965	76,551
July 2018	39,623	48,603	7,643	0	95,869	76,519
Aug 2018	39,126	48,126	7,529	0	94,781	75,825



State or Territory	Number of Distinct Active Appraisers Aug 14, 2018 (+/- 5%)
Alabama	1321
Alaska	224
Arizona	2048
Arkansas	821
California	9832
Colorado	2545
Connecticut	1212
Delaware	528
District Of Columbia	697
Florida	6403
Georgia	3301
Guam	19
Hawaii	468
Idaho	712
Illinois	3618
Indiana	2031
Iowa	1065
Kansas	998
Kentucky	1354
Louisiana	1293
Maine	557
Maryland	2208
Massachusetts	1942
Michigan	2708
Minnesota	1944
Mississippi	990
Missouri	1835
Montana	412
Nebraska	666
Nevada	968
New Hampshire	720
New Jersey	2595
New Mexico	584
New York	3780
North Carolina	2935
North Dakota	298
Northern Mariana Islands	4
Ohio	2896
Oklahoma	1006
Oregon	1471
Pennsylvania	3189
Puerto Rico	344
Rhode Island	437
South Carolina	1942
South Dakota	376
Tennessee	1911
Texas	5207
Utah	1186
Vermont	264
Virgin Islands	26
Virginia	3322
Washington	2605
West Virginia	618
Wisconsin	1820
Wyoming	311
<b>All States and Territories</b>	<b>75825</b>



## **ASC Delegations of Authority**

### **Preamble**

Pursuant to the Appraisal Subcommittee's (ASC) authority under Title XI<sup>1</sup> of the Federal Financial Institutions Reform, Recovery and Enforcement Act, the ASC has delegated specific functions and duties to its Chairperson and staff. In addition to the delegations listed in this document, general areas of responsibility and authority, as well as other specific delegations of authority, have been and will be made in other documents, including, but not limited to, ASC regulations, Policy Statements, manuals, position descriptions, orders and certain instructions. All authority not expressly delegated is reserved by the ASC. All delegations must agree with applicable laws and regulations. Unless specifically provided for in the delegations below, there is no authority to redelegate. An authority to make a redelegation is specifically set forth in these delegations. All authorized redelegations of authority shall be made in writing. An individual who acts in the capacity of another is vested with all of the delegated authority of the position. No redelegation is needed if one has been authorized in writing to act in the capacity of another.

The following compilation of delegations of authority reflects those authorities delegated or whose delegation was reaffirmed at the ASC's May 10, 1995 meeting, and as subsequently amended.

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1. Title XI § 1105, 12 U.S.C. § 3334.

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## General

<u>Reference</u>	<u>Authority</u>	<u>Delegation</u>
GEN 1	Authority to bar any exercise of a delegated authority by revoking the delegation with respect to the specific matter in question.	Chairperson
GEN 2	Authority to sign all documents adopted and issued by and on behalf of the ASC (with authority to redelegate to the Executive Director).	Chairperson
GEN 3	Authority to record, signify and certify the official vote of individual ASC members when such vote is obtained through the use of telephonic or similar medium (with the authority to redelegate to the General Counsel).	Executive Director

## Procurement and Property Management

**Any actions under these procurement delegations that would cause the ASC to exceed its budget as a whole or by line item are subject to approval by the ASC.**

<u>Reference</u>	<u>Authority</u>	<u>Delegation</u>
PRO 1	Authority to approve, sign, issue and make payment on orders and contracts for goods or services required in the operations of the ASC (with authority to redelegate to the Executive Director).	Chairperson
PRO 2	Within approved budget limits, authority to serve as ASC Contracting Officer and, subject to a review by the General Counsel of single contracts and purchase orders for goods and/or services up to \$100,000; authority to approve, sign and issue procurement documents for all goods or services up to \$100,000 required for normal operations of ASC, and which are included in the current budget or to authorize modifications to such contracts and orders; approve, sign and issue Purchase Orders, Requests for Proposals, Invitations for Bids, Requests for Quotations, Certificates of Contract Awards, and Contract Addenda. Under this delegation are included: printing, leases, purchases of furniture and furnishings, purchases of supplies or services, and other items or services operationally required. [Amended 10/8/95, 12/11/13]	Executive Director
PRO 3	Authority to authorize payment for approved purchases of and contracts for property or services.	Executive Director
PRO 4	Authority to make payment of all expenses, expense allowances and payment for goods or services included in the current ASC budget or which are approved for payment by the ASC or other authorized persons (with authority to redelegate to one or more senior staff members).[Amended 10/8/95]	Executive Director

PRO 5	Authority to approve claims up to \$2,500 to reimburse ASC employees for damage or loss of personally owned equipment being used on ASC business.	Executive Director, with the concurrence of the Chairperson
PRO 6	Within approved budget limits, authority to purchase supplies and equipment not in excess of \$500 per item (with the authority to redelegate to the Administrative Assistant). [Amended 10/8/95, 2/14/96,. 12/11/13]	Executive Director
PRO 7	Within approved budget limits, authority to approve, sign and issue purchase orders and blanket purchase agreement (BPA) up to \$150,000 per purchase order and BPA for goods or services required for the ASC's normal operation.[Amended 12/11/13]	Executive Director

## Grant Reimbursement Requests

<u>Reference</u>	<u>Authority</u>	<u>Delegation</u>
GRR 1	Approve, sign and process monthly grant reimbursement requests submitted by the Appraisal Foundation consistent with the annual grant proposal as approved by the ASC. [Amended 12/11/13]	Chairperson (authority to re-delegate to Executive Director)*

\*Executive Director to provide quarterly reports to ASC on processed grant reimbursement requests (may delegate to Financial Manager) .

## Personnel

### Personnel Management

<u>Reference</u>	<u>Authority</u>	<u>Delegation</u>
PERS 1	Authority to exercise all authorities related to personnel management, including appointment, removal, reassignment and direction of personnel and improvement of staff support (with the authority to redelegate to the Executive Director). The ASC, however, reserves the authority to approve the appointment, reassignment, removal and compensation of all staff at GS-15 or above (senior staff). The ASC also reserves the authority to approve the promotion of all individuals to, and in, these positions.	Chairperson
PERS 2	Authority to evaluate Executive Director's performance, and to review, evaluate and approve the Executive Director's appraisal of a senior staff member's performance.	Chairperson (Vice-Chairperson in the event Chairperson is unavailable for 15 days or more) [Amended 5/9/18]
PERS 3	Authority to evaluate and rate each staff employee's job performance, through the use of performance elements and standards. [Amended 10/8/95]	Executive Director
PERS 4	Authority to establish organizational structure and to hire persons to fill staff positions (with the authority to redelegate to the Executive Director).	Chairperson
PERS 5	Authority to allocate personnel within established staffing patterns, including authority to appoint Acting Executive Director and to delegate authority to that Acting Director.	Executive Director
PERS 6	Approval of Leave: <ul style="list-style-type: none"> <li>a. Annual and sick leave up to the maximum earned yearly.</li> <li>b. Leave without pay, administrative leave,</li> </ul>	All Supervisors Executive Director



and advanced annual and sick leave.

- |   |                    |
|---|--------------------|
| c. Within the basic eight-hour day and 40-hour week, authority to approve temporary flexible working hours. | Executive Director |
| d. Authority to approve flexible working hours.   | ASC                |
| e. Authority to approve retention of annual leave that exceeds 240 hours.                                   | Executive Director |

## Training and Training Expenses

<u>Reference</u>	<u>Authority</u>	<u>Delegation</u>
TRN 1	Within approved budget limits, authority to budget for, approve, conduct, schedule, coordinate, monitor and evaluate all ASC training and career development activities.	Executive Director
TRN 2	Within approved budget limits, authority to plan, schedule and conduct data processing training for ASC staff.	Executive Director
TRN 3	Within approved budget limits, authority to approve SF-182's, Request, Authorization, Agreement, and Certification of Training up to \$10,000 per form (with authority to redelegate to Executive Director).	Chairperson

## Incentive Awards

<u>Reference</u>	<u>Authority</u>	<u>Delegation</u>
AWD 1	Authority to grant the following awards:	
	a. Superior Accomplishment Awards greater than \$5,000, but not more than \$10,000. (Awards over \$10,000 require OPM approval.)	ASC
	b. Special Act or Service Awards or Superior Accomplishment Awards up to \$2,500	Chairperson (Vice-Chairperson in the event Chairperson is unavailable for 15 days or more) [Amended 5/9/18]
	c. Quality Step Increase	Chairperson (authority to re-delegate to Executive Director)
	d. Letters of Commendation	Executive Director
	e. Length of Service Awards	Executive Director
	g. Time Off From Duty Award	Executive Director

**Travel**

<u>Reference</u>	<u>Authority</u>	<u>Delegation</u>
TRV 1	Within approved budget limits, authority to approve travel orders and disbursements thereof.	Executive Director
TRV 2	Within approved budget limits, authority to approve advance of funds for travel.	Executive Director

## Compliance Review Reports

<u>Reference</u>	<u>Authority</u>	<u>Delegation</u>
CRR 1	Approve, sign and release Compliance Review Reports with recommended Finding of “POOR.” <sup>2</sup> [Amended 12/11/13]	ASC
CRR 2	Approve, sign and release Compliance Review Reports with recommended Finding of “NOT SATISFACTORY.” <sup>3</sup> [Amended 12/11/13]	ASC
CRR 3	Approve, sign and release Compliance Review Reports with recommended Finding of “NEEDS IMPROVEMENT.” <sup>4</sup> [Amended 12/11/13]	Chairperson or Vice-Chairperson [Amended 5/9/18]
CRR 4	Approve, sign and release Compliance Review Reports with recommended Finding of “GOOD.” <sup>5</sup> [Amended 12/11/13]	Chairperson (authority to re-delegate to Executive Director)*
CRR 5	Approve, sign and release Compliance Review Reports with recommended Finding of “EXCELLENT.” <sup>6</sup> [Amended 12/11/13]	Chairperson (authority to re-delegate to Executive Director)*

\*Executive Director to provide quarterly reports to ASC on Compliance Review Reports (may delegate to Deputy Executive Director).

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2. Applies when deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program and high risk of Program failure.

3. Applies when deficiencies present a significant risk and if not corrected in a timely manner, pose a well-defined risk to the Program and substantial risk of Program failure.

4. Applies when deficiencies are material but manageable and if not corrected in a timely manner, pose a potential risk to the Program and moderate risk of Program failure.

5. Applies when deficiencies are minor in nature, State is adequately addressing deficiencies identified and correcting them in the normal course of business, and low risk of Program failure.

6. Applies when State maintains a strong regulatory Program and very low risk of Program failure.

## Special Activities

<u>Reference</u>	<u>Authority</u>	<u>Delegation</u>
SPE 1	Authority to grant or deny any request made for information pursuant to the Freedom of Information Act and Subpart D of the ASC's Regulations, including the authority to release exempt information (with authority to redelegate approvals only to the General Counsel).	Executive Director
SPE 2	Authority to submit for publication in the <i>Federal Register</i> any ASC-approved Agency document and to take appropriate action to correct any obvious error of form, typographical error or similar error contained in such documents (with authority to redelegate to the General Counsel).	Executive Director
SPE 3	Authority to sign and release non-routine, significant correspondence (with the authority to redelegate to the Executive Director).	Chairperson or Vice-Chairperson [Amended 5/9/18]
SPE 4	Authority to sign and release routine correspondence.	Executive Director
SPE 5	Authority to coordinate and manage the ASC's ethics program as the ASC Designated Agency Ethics Officer (DAEO) with the ASC's Management and Program Analyst who serves as the alternate DAEO. [Amended 12/11/13]	General Counsel
SPE 6	Authority to sign and release documents or other communications relating to established ASC policies and procedures.	Executive Director

**APPRAISAL SUBCOMMITTEE  
OPEN SESSION MEETING MINUTES  
FEBRUARY 14, 2018**

LOCATION: Federal Reserve Board – International Square location  
1850 K Street NW, Washington, DC 20006

**ATTENDEES**

**ASC MEMBERS:** FRB – Art Lindo (Chair)  
CFPB – Philip Neary  
FDIC – Marianne Hatheway  
FHFA – Robert Witt  
HUD – Cheryl Walker  
NCUA – Tim Segerson  
OCC – Richard Taft

**ASC STAFF:** Executive Director – Jim Park  
Deputy Executive Director – Denise Graves  
General Counsel – Alice Ritter  
Financial Manager – Girard Hull  
Attorney-Advisor – Ada Bohorfoush  
Policy Manager – Neal Fenochietti  
Policy Manager – Kristi Klamet  
Management and Program Analyst – Lori Schuster  
Administrative Officer – Brian Kelly

**OBSERVERS:** American Society of Appraisers – John Russell  
Appraisal Institute – Bill Garber  
Appraisal Institute - Brian Rodgers  
CFPB – Deana Krumhansl  
CFPB – Veronica Spicer  
Clarocity – Ernie Durbin  
FDIC – Michael Briggs  
FDIC – Rich Foley  
FDIC – Suzy Gardner  
FDIC – Lauren Whitaker  
FDIC – Tony Womack  
FRB – Gillian Burgess  
FRB – Carmen Holly  
FRB – Matt Suntag  
FRB – Kirin Walsh  
OCC – Stacey Fluellen  
OCC – Joanne Phillips

## REVAA – Tom Tilton

The Meeting was called to order at 10:00 a.m. by A. Lindo.

### REPORTS

- **Chairman**

A. Lindo welcomed observers to the Meeting. He noted that the ASC has not acted on the request from TriStar Bank for a temporary waiver and will do so in the near future. The ASC will be transparent in the handling of this request.

- **Executive Director**

J. Park updated the ASC on recent staff activities.

- The Appraiser Qualifications Board (AQB) met on February 1<sup>st</sup> in Washington, DC. The AQB adopted proposed changes to the AQB Criteria which will become effective on May 1, 2018. Since experience requirements will be lowered, States are not required to make any changes to their current statute or regulations. The college-level education requirement will be removed from the Licensed classification. A variety of education options have been approved as alternatives to the bachelor degree requirement for the Certified Residential credential. The new requirements can be found on the Foundation's website.
- The Appraisal Standards Board (ASB) issued a discussion draft on potential changes to the 2020-21 edition of USPAP.
- The Executive Committee of the Appraisal Foundation Board of Trustees met in January in Tampa, FL. The Foundation's finances appear to have recovered from the significant losses that occurred in recent years. There has been a significant increase in appraisers entering the profession as successful first-time test takers is at its highest level since 2014.
- Staff has continued to make progress on the implementation of the Unique Identifier Number (UID). Thus far, 25 States have converted to UIDs. Four States are using the Simple Access Object Protocol system to upload their data files and staff will continue working with States on these items.
- The roundtable held in November 2017 was successful with 67 participants representing trade groups, lenders, associations, States and Federal agencies. The objective was to begin identifying opportunities to lessen valuation-related burdens in general and assist in keeping federal financial institution regulators informed on the latest trends in valuation practice and technology. A follow-up roundtable is planned for this spring or summer.



- J. Park noted that City Bank and Trust in Guymon, OK has withdrawn its request for a temporary waiver. The request from TriStar Bank in Dickson, TN is still being pursued by the bank.
- **Delegated State Compliance Reviews**

A. Bohorfoush reported on State Compliance Reviews completed pursuant to delegated authority since the ASC's November 8<sup>th</sup> Meeting. Seven State Compliance Reviews were finalized and approved by the Executive Director under delegated authority. Hawaii, Kansas and Rhode Island were each awarded a Finding of "Excellent" and all will remain on a two-year Review Cycle. Alaska, New York, Utah and Virginia were each awarded a Finding of "Good" and all will remain on a two-year Review Cycle. R. Taft asked if ASC staff monitor States who are given a rating of Needs Improvement. D. Graves responded that ASC staff does monitor those States and has more frequent contact with them.
- **Financial Manager**

G. Hull reported on the August and September 2017 grant reimbursement requests received in the amounts of \$3,297 and \$10,983, respectively. The majority of costs covered salaries, consulting costs, postage and printing. He added that the ASC's FY17 audit should be finalized shortly.

## **ACTION ITEMS**

- **November 8, 2017 Open Session Minutes**

R. Taft made a motion to approve the November 8<sup>th</sup> open session meeting minutes as presented. R. Witt seconded and all members present voted to approve.
- **Notation Vote on the Information Collection Request for the AMC National Registry**

L. Schuster said that the notation vote passed 7-0 on January 2, 2018.
- **Revised ASC Policy Statements**

A. Ritter presented the Revised ASC Policy Statements noting that they were last revised in 2013. The Revised Policy Statements were published in the *Federal Register* in January 2017 for public comment. The comment period was suspended due to the Regulatory Freeze put into place by the White House on January 20, 2017. They were reposted in the *Federal Register* in September 2017 for a 60-day comment period. 29 comments were received. Twenty-seven comments addressed wind turbines and environmental issues and were non-responsive to the proposal; 2 comments were filed by State appraiser certifying and licensing agencies. If the Revised Policy Statements are approved, they would be effective upon publication in the *Federal Register*. She added that in Policy Statements 7 and 10, it was proposed by the ASC to include in the complaint log, terms of disposition,

and in the case of open complaints, the most recent activity and date thereof. One State noted that this would be burdensome to States requiring them to duplicate information that is readily available elsewhere. ASC staff agreed and did not include that wording in the final Policy Statements 7 and 10. C. Walker made a motion to approve the Revised Policy Statements as presented; R. Taft seconded and all members present voted to approve.

- **Appraisal Foundation FY17 Grant Reprogramming Request**

G. Hull presented the FY17 Reprogramming Request in the amount of \$20,953. Of this amount, approximately \$7,500 was for AQB expenses and \$13,000 for ASB expenses. If approved as presented, the FY17 grant would be fully expended. R. Taft made a motion to approve the request in the amount of \$20,953; R. Witt seconded and all members present voted to approve.

The Open Session adjourned at 10:40 a.m. The next ASC Meeting will be May 9, 2018.