

FYI

Cover Page

February 14, 2018



**ASC Staff Operating Plan to Advance its Strategic Goals
Fiscal Year 2018**

The ASC oversees the real estate appraisal process as it relates to federally related transactions (FRTs) as defined in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (Title XI). This Operating Plan establishes the framework for the work of the ASC staff for fiscal year 2018 (FY18). Working within the approved budget, the Operating Plan includes the ASC's core responsibilities, including special projects as prioritized by the ASC.

Strategic Goal	Strategic Objective	FY18 Operating Plan
SG 1: Promote Title XI-compliant State appraiser regulatory programs (State Programs)	SO 1.1: Ensure that States understand ASC expectations and compliance requirements of Title XI and the Policy Statements	<ul style="list-style-type: none"> • Communicate regularly with State Programs through <ul style="list-style-type: none"> ○ Compliance Reviews ○ AARO Meetings ○ Bulletins ○ Review/comment on proposed and enacted State legislation or rulemaking ○ formal and informal discussions/meetings ○ prompt and effective enforcement actions when warranted • Issue Policy Statements for State AMC Regulatory Programs and updated Policy Statements for State Appraiser Regulatory Programs
	SO 1.2: Maintain understandable and enforceable Policy Statements	<ul style="list-style-type: none"> • Communicate regularly with State Programs to determine the level of understanding of the current, new and updated Policy Statements

SG 1: Promote Title XI-compliant State appraiser regulatory programs (State Programs)		<ul style="list-style-type: none"> Continue implementation of recommendations from 2014-2015 ASCAC meetings as deemed appropriate
	SO 1.3: Issue Compliance Review Reports (Reports) that are: (a) accurate representations of a State Program’s status; (b) developed and reported in accordance with established ASC policies and procedures (including the Plain Language Act); and (c) developed and reported in a fair and equitable manner	<ul style="list-style-type: none"> Conduct 25-30 scheduled Compliance Reviews Conduct Follow-up Reviews and Priority Contact visits as needed Modify or enhance on-site review process and Reports as needed
	SO 1.4: Issue timely Reports	<ul style="list-style-type: none"> Issue final Reports within 120 days of on-site review on average
SG 2: Monitor changes in regulatory appraisal standards of the ASC member agencies	SO 2.1: No less than annually, ASC staff will provide a written “Monitoring Summary” to ASC members regarding any appraisal-related regulations or guidance proposed or adopted by the ASC member agencies, and the potential impact on the State Programs, credentialed appraisers, and other stakeholders	<ul style="list-style-type: none"> ASC staff to meet with member agency staff for briefings on changes to ASC member agency appraisal standards
SG 3: Monitor and review the practices, procedures, activities, and organizational structure of the Appraisal Foundation (Foundation)	SO 3.1: ASC staff will monitor and review the practices, procedures, activities and organizational structure of the Foundation	<ul style="list-style-type: none"> ASC staff will attend noticed meetings of the Appraisal Foundation Board of Trustees, Appraisal Standards (ASB) and Appraiser Qualifications (AQB) Boards ASC staff will regularly report to the ASC on Foundation meetings ASC or ASC staff will review and comment (public and/or private) when necessary, on

<p>SG 3: Monitor and review the practices, procedures, activities, and organizational structure of the Foundation</p>		<p>the procedures, activities, organizational structure of the Foundation, as well as proposed changes to USPAP and the AQB Criteria</p> <ul style="list-style-type: none"> • ASC will include a review of the Foundation activities in the ASC's 2017 Annual Report
	<p>SO 3.2: Ensure ASC grant funds are being used in accordance with ASC Foundation Grant Policy</p>	<ul style="list-style-type: none"> • Monitor Foundation meetings • Review grant reimbursement requests and approve under delegated authority • Conduct an independent review of the Foundation's use of grant funds and report those findings to the ASC and the public • Review and adjust policies governing administration of the Foundation grant to ensure transparency and appropriate use of funds
<p>SG 4: Special Projects</p>	<p>SO 4.1: Implement authority granted to the ASC for rulemaking</p>	<ul style="list-style-type: none"> • Provide ASC with recommendations on other rulemaking including rules on progressive enforcement
	<p>SO 4.2: Continue implementation of oversight of State registration and supervision of appraisal management companies (AMC Programs)</p>	<ul style="list-style-type: none"> • Continue informal review of State AMC Program statutes and regulations until such time that the National Registry of AMCs is open and accepting registrants and fees
	<p>SO 4.3: Make preparations to expand ASC Grant Programs in advance of anticipated revenue from AMC National Registry fees</p>	<ul style="list-style-type: none"> • Expand policies and procedures for ASC approval regarding the administration of State and Appraisal Foundation grants
	<p>SO 4.4: Maintain the Appraisal Complaint National Hotline (website, call center and email)</p>	<ul style="list-style-type: none"> • Maintain consistent operation of Hotline • Share complaint information between ASC member agencies on an annual basis • Include complaint data in the ASC's Annual Report to Congress

SG 4: Special Projects		<ul style="list-style-type: none"> • Conduct annual review of Hotline for potential improvements
SG 5: Maintain the National Registry of appraisers and develop a National Registry of AMCs	SO 5.1: Maintain public and private access to the National Registry of appraiser credentials on the ASC website	<ul style="list-style-type: none"> • Maintain secure National Registries • Complete voluntary implementation of unique identification number for appraisers on the National Registry <ul style="list-style-type: none"> ○ Consider rulemaking if needed • Process incoming State data within 72 hours
	SO 5.2: Complete development of and deploy AMC Registry	<ul style="list-style-type: none"> • Open AMC Registry by June 4, 2018
SG 6: Prudently manage the ASC financial and staff resources in order to fulfill the ASC core statutory mandates	SO 6.1: Develop and execute detailed, analyzed and disciplined annual budgets	<ul style="list-style-type: none"> • Provide ASC with periodic expense and revenue updates and inform ASC of significant unanticipated financial events • Continually seek opportunities to reduce expenses and maximize efficiencies • Obtain an independent audit of the ASC's financial statements • Maintain no less than a one-year operating reserve
	SO 6.2: Execute proactive initiatives focused on the retention of employees, including mentoring, employee feedback, employee outreach, incentives, and recognition programs	<ul style="list-style-type: none"> • Utilize Performance Management System • Administer Annual Employee Survey • Encourage staff to provide feedback on the work of the agency • Recognize employees for outstanding service and/or commitment to the agency • Identify and counsel staff members who are not meeting expectations
	SO 6.3: Empower employees with the opportunity to expand their skills and knowledge base through professional development programs in leadership, job skills, and employee productivity	<ul style="list-style-type: none"> • Provide resources for staff to participate in appropriate professional development opportunities • Create documentation and systems for continuity of operations for use when key personnel depart

<p>SG 6: Prudently manage the ASC financial and staff resources in order to fulfill the ASC core statutory mandates</p>	<p>SO 6.4: Maintain an effective ethics program</p>	<ul style="list-style-type: none">• Maintain coordination with Office of Government Ethics (OGE)• Maintain appropriate policies and procedures governing the ethics program• Maintain annual ethics training for current employees and new employees• Provide financial disclosures as required by OGE
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State Program Summary Report

State or Territory	AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	GU	HI
Review Year	2016	2017	2016	2016	2016	2016	2016	2017	2017	2017	2016	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	Good	Good	Good	Excel	Excel	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				
Application Process:							3			1			1
Reciprocity:													1
Education:							1						
Enforcement	1												1
TOTAL OUT OF COMPLIANCE	-	-	-	1	-	-	-	-	-	-	-	2	-
TOTAL AREA OF CONCERN	2	2	-	-	-	-	6	1	1	-	-	4	-
Last Review Finding	Good (2014)	Good (2015)	Excel (2014)	Good (2014)	Good (2014)	Excel (2014)	Good (2014)	Good (2015)	Good (2015)	Good (2015)	Needs Imp (2014)	Needs Imp (2013)	Good (2015)
Previous Review Finding	NISC (2012)	Not Sat (2014)	NISC (2012)	NISC (2012)	NISC (2012)	ISC (2012)	ISC (2012)	NISC (2013)	NISC (2013)	ISC (2013)	ISC (2012)	ISC (2007)	Good (2013)
FTE	6.3	0.57	3.6	2.9	30.9	10.5	1.46	0.5	1.5	9	5.4	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	1,310	239	2,045	815	10,416	2,594	1,272	564	727	6,024	3,445	21	572
# Trainees	113	10	75	142	528	n/a	68	43	49	431	20	3	23
Complaints Received in Review Cycle	57	15	206	68	547	282	90	24	19	364	178	0	14
Complaints Outstanding	24	2	20	7	103	115	22	9	2	78	51	0	5
Complaints Outstanding Over 1 Year (No SDC)	4	0	0	0	0	0	0	0	0	0	0	0	0
Special Documented Circumstances (SDC)	0	0	0	1	2	7	0	1	0	2	4	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	2015	2017	2017	2017	2017	2016	2017	2015	2016	2016	2016	2016	
Review Month	Apr	Sep	Jan	Jul	Oct	Mar	Feb	May	Nov	Apr	May	Sep	Sep	
ASC Finding	Excel	Needs Imp	Good	Excel	Excel	Excel	Good	Good	Needs Imp	Good	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:		1		1			2	1		2		1		1
Temporary Practice:												1		
National Registry:			2										1	2
Application Process:							1			1		1		
Reciprocity:														
Education:														
Enforcement		1								1		1		
TOTAL OUT OF COMPLIANCE	-	2	-	-	-	-	1	1	2	-	1	-	1	
TOTAL AREA OF CONCERN	-	2	1	-	-	-	2	-	2	1	3	2	2	
Last Review Finding	Good (2015)	Needs Imp (2013)	Needs Imp (2015)	Excel (2015)	Excel (2015)	Excel (2015)	Good (2014)	Good (2015)	Needs Imp (2013)	Good (2014)	Needs Imp (2014)	Good (2014)	Good (2014)	
Previous Review Finding	NISC (2013)	NIC (2011)	ISC (2013)	Excel (2013)	Excel (2013)	ISC (2013)	NISC (2012)	Excel (2013)	ISC (2007)	NISC (2012)	NISC (2012)	NISC (2012)	NISC (2012)	
FTE	0.1	2.8	3.1	0.95	2	2.2	3.3	0.57	0.3	3.6	2.35	2.1	2.25	
Independent or Under Umbrella (I/UU)	UU	UU	UU	UU	UU	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	4,046	2,094	1,111	981	1,399	1,337	557	9	2,322	2,103	2,741	1,949	
# Trainees	35	548	113	95	13	184	159	27	0	210	200	379	248	
Complaints Received in Review Cycle	46	429	106	92	28	42	33	67	0	104	214	131	475	
Complaints Outstanding	13	119	37	12	4	17	4	13	0	17	39	66	116	
Complaints Outstanding Over 1 Year (No SDC)	2	34	0	0	0	0	0	0	0	0	17	2	0	
Special Documented Circumstances (SDC)	0	1	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	

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State Program Summary Report

State or Territory	MS	MO	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH
Review Year	2017	2016	2017	2017	2016	2017	2016	2017	2017	2016	2016	2017
Review Month	May	Jun	Sep	Mar	May	May	Sep	Apr	Sep	Nov	Jun	Aug
ASC Finding	Excel	Excel	Good	Good	Excel	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			
Temporary Practice:					1							
National Registry:				1				1		2		
Application Process:								1	1			
Reciprocity:												
Education:												
Enforcement								4				
TOTAL OUT OF COMPLIANCE	-	-	-	-	-	-	-	2	5	-	-	-
TOTAL AREA OF CONCERN	-	-	1	2	-	-	2	2	2	-	-	-
Last Review Finding	Needs Imp (2015)	Good (2014)	Good (2015)	Good (2015)	Good (2014)	Excel (2015)	Needs Imp (2014)	Good (2015)	Needs Imp (2015)	Excel (2014)	Good (2014)	Excel (2015)
Previous Review Finding	ISC (2013)	NISC (2012)	Needs Imp (2013)	Good (2013)	NISC (2012)	Good (2013)	NISC (2012)	Good (2013)	Needs Imp (2013)	ISC (2012)	ISC (2012)	Good (2013)
FTE	4.8	2	3.8	3	1.5	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	2,134	382	646	998	733	2,651	641	3,804	2,970	283	2,944
# Trainees	31	107	27	49	65	13	57	71	446	333	34	296
Complaints Received in Review Cycle	66	86	36	28	84	34	88	46	153	193	27	145
Complaints Outstanding	10	10	6	4	31	4	26	31	31	40	15	42
Complaints Outstanding Over 1 Year (No SDC)	0	0	0	1	0	0	0	8	0	0	0	0
Special Documented Circumstances (SDC)	2	3	0	3	4	0	8	3	5	0	6	0
AMC Laws and Regulations	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No

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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		2016		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		Excel		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		1	
Application Process:					1			1									1							
Reciprocity:																								1
Education:						1																		
Enforcement					1						1									1			1	
TOTAL OUT OF COMPLIANCE	-		-		3		-		-		-		-		1		-		-		3		3	
TOTAL AREA OF CONCERN	-		-		2		2		-		1		-		2		-		2		1		2	
Last Review Finding	Good (2015)	Good (2014)	Needs Imp (2014)	Good(2013)	Needs Imp (2015)	Needs Imp (2015)	Good (2014)	Excel (2015)	Good (2014)	Good (2015)	Good (2014)	Needs Imp (2014)												
Previous Review Finding	Excel (2013)	ISC (2012)	NISC (2012)	ISC (2012)	Good (2013)	ISC (2013)	ISC (2012)	ISC (2013)	NISC (2012)	NISC (2013)	NISC (2012)	NISC (2012)												
FTE	3.75	4.4	3.5	0.2	1.7	3.1	2	1.5	11.9	3.41	0.24	1												
Independent or Under Umbrella (I/UU)	UU	I	UU	UU	UU	UU	UU	UU	UU	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	5,246	1,206	248	27												
# Trainees	77	80	327	n/a	145	156	53	225	787	103	128	n/a												
Complaints Received in Review Cycle	87	127	292	9	4	221	9	124	484	103	9	1												
Complaints Outstanding	43	80	152	3	0	47	6	31	155	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												

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State Program Summary Report

State or Territory	VA		WA		WV		WI		WY			
Review Year	2017		2016		2016		2017		2017		# Excel	24
Review Month	Aug		May		Dec		Jun		Aug		# Good	22
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	12	21
Temporary Practice:											0	5
National Registry:						1		1			3	14
Application Process:								2			8	8
Reciprocity:											0	2
Education:											0	2
Enforcement		1			2			1			9	9
TOTAL OUT OF COMPLIANCE	-		-		2		2		-		32	
TOTAL AREA OF CONCERN	1		-		2		4		2			61

Last Review Finding	Needs Imp (2015)	Excel (2014)	Needs Imp (2015)	Good (2015)	Good (2015)	
Previous Review Finding	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	

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

October 30, 2017

Ms. Aiko Zaguirre, Licensing Examiner
Board of Certified Real Estate Appraisers
Department of Commerce, Community & Economic Development
Division of Corporations, Business & Professional Licensing
P O Box 110806
Juneau, AK 99811-0806

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

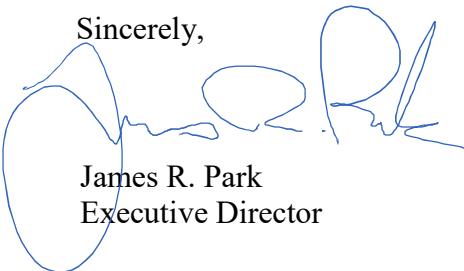
Dear Ms. Zaguirre:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Alaska appraiser regulatory program (Program) on July 24-28, 2017, 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. Alaska 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. David Derry, Board Chair
Ms. Sara Chambers, Operations Manager
Ms. Laura Carrillo, Records & Licensing Supervisor
Mr. Greg Francois, Acting Chief Investigator
Mr. Doug Fell, Investigator
Ms. Renee Hoffard, Records & Licensing Supervisor

ASC Finding Descriptions

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

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

¹ 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: October 30, 2017

Alaska Appraiser Regulatory Program (State)			
Board of Certified Real Estate Appraisers (Board)	PM: K. Klamet	ASC Compliance Review Date: July 24-28, 2017	Review Period: July 2015 to July 2017
Umbrella Agency: Department of Commerce, Community & Economic Development, Division of Corporations, Business & Professional Licensing		Number of State Credentialed Appraisers on National Registry: 239	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:	X						
States must, 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.)				Alaska regulation 12 AAC 70.140 (c) has not been amended to adopt the January 1, 2015 edition of The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria.	On September 29, 2017, the State provided ASC staff a copy of the amended regulation with an effective date of October 18, 2017.	None	The State's resolution addresses the concern.
Temporary Practice:	X						
				No compliance issues noted.	N/A	None	None
National Registry:			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 September 29, 2017, the State reported that all missing disciplinary actions were provided to the National Registry. The State also implemented a new procedure to ensure all disciplinary actions are reported to the ASC immediately.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
Application Process:	X						
				No compliance issues noted.	N/A	None	None
Reciprocity:	X						
				No compliance issues noted.	N/A	None	None
Education:	X						
				No compliance issues noted.	N/A	None	None
Enforcement:	X						
				No compliance issues noted.	N/A	None	None

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Appraisal Subcommittee
Federal Financial Institutions Examination Council

December 20, 2017

Ms. Catherine Awakuni Colón, Director
Department of Commerce & Consumer Affairs
335 Merchant Street
Honolulu, HI 96813

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

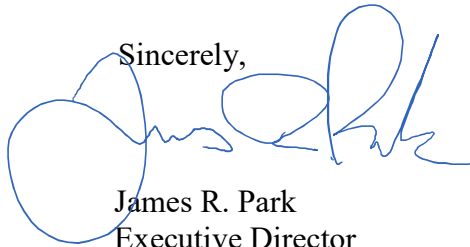
Dear Ms. Awakuni Colón:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Hawaii appraiser regulatory program (Program) on December 4-6, 2017, 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." Hawaii 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. Alan Taniguchi, Executive Officer

ASC Finding Descriptions

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

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

¹ 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: December 20, 2017

Hawaii Appraiser Regulatory Program (State)

Real Estate Appraisers Advisory Committee (Committee)	PM: N. Fenochietti	ASC Compliance Review Date: December 4-6, 2017	Review Period: December 2015 to December 2017
Umbrella Agency: Department of Commerce & Consumer Affairs (Department)		Number of State Credentialed Appraisers on National Registry: 572	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:	X			No compliance issues noted.	N/A	None	None
Temporary Practice:	X			No compliance issues noted.	N/A	None	None
National Registry:	X			No compliance issues noted.	N/A	None	None
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:	X			No compliance issues noted.	N/A	None	None

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Appraisal Subcommittee
Federal Financial Institutions Examination Council

November 6, 2017

Mr. Richard Livingston, Chairman
Kansas Real Estate Appraisal Board
Jayhawk Tower, Suite 804
700 SW Jackson
Topeka, KS 66603

RE: ASC Compliance Review of Kansas' Appraiser Regulatory Program

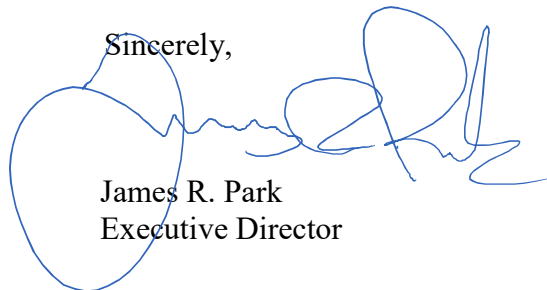
Dear Mr. Livingston:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Kansas appraiser regulatory program (Program) on October 25-27, 2017, 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." Kansas 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. Sally Pritchett, Director

ASC Finding Descriptions

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

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

¹ 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: November 6, 2017

Kansas Appraiser Regulatory Program (State)			
Kansas Real Estate Appraisal Board (Board)	PM: C. Brooks	ASC Compliance Review Date: October 25-27, 2017	Review Period: October 2015 to October 2017
Umbrella Agency: Independent		Number of State Credentialed Appraisers on National Registry: 981	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Action	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:	X			No compliance issues noted.	N/A	None	None
Temporary Practice:	X			No compliance issues noted.	N/A	None	None
National Registry:	X			No compliance issues noted.	N/A	None	None
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:	X			No compliance issues noted.	N/A	None	None

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Appraisal Subcommittee
Federal Financial Institutions Examination Council

January 9, 2018

Mr. Brendan Fitzgerald, First Executive Deputy Secretary of State
Division of Licensing Services
New York State Department of State
P O Box 22001
Albany, NY 12201-2001

RE: ASC Compliance Review of New York's Appraiser Regulatory Program

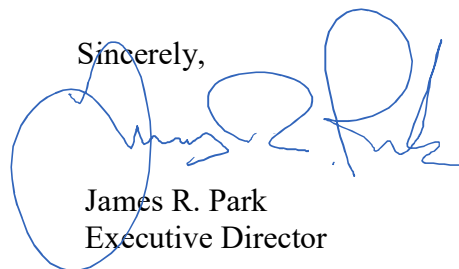
Dear Mr. Fitzgerald:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the New York appraiser regulatory program (Program) on September 26-28, 2017, 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. New York 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

Enclosure

cc: Mr. Charles Silva Fields, Deputy Secretary of State
Ms. Whitney Clark, Director Division of Licensing Service

ASC Finding Descriptions

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

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

¹ 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: January 9, 2018

New York Appraiser Regulatory Program (State)

New York State Board of Real Estate Appraisal (Board) **PM: V. Metcalf** **ASC Compliance Review Date: September 26-28, 2017** **Review Period: August 2015 - September 2017**

Umbrella Agency: Department of State **Number of State Credentialed Appraisers on National Registry: 3,804** **Review Cycle: Two Year**

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:	X			No compliance issues noted.	N/A	None	None
Temporary Practice:	X			No compliance issues noted.	N/A	None	None
National Registry:			X	The State did not report all disciplinary actions to the ASC National Registry timely. In July 2017, the State reported 19 disciplinary actions that were taken between 1/22/15 and 4/27/17.	On December 20, 2017, the State reported that all missing disciplinary actions were provided to the National Registry. The State implemented new policies and procedures to ensure discipline is reported timely. In addition, the State reported they are in the process of implementing the SOAP system to report all appraiser data, including disciplinary actions electronically.	The State should monitor their new policies and procedures to ensure all disciplinary actions are reported to the National Registry using the ASC Extranet 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.
National Registry, continued:			X	The State did not report a revocation to the National Registry timely. The revocation became effective in July 2016, but was not reported until August 2017.	On December 20, 2017, the State explained the credential had expired prior to the imposition of the revocation and the State was unaware of the requirement to report discipline on an inactive credential. The State will report all disciplinary actions regardless of the credential status.	The State should monitor their new policies and procedures to ensure all disciplinary actions are reported to the National Registry regardless of the credential status.	During the next Compliance Review ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:				No compliance issues noted.	N/A	None	None

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

December 20, 2017

Ms. Elizabeth M. Tanner, Director
Department of Business Regulation
Rhode Board of Real Estate Appraisers
John O. Pastore Center, Building 69-1
1511 Pontiac Avenue
Cranston, RI 02920-0942

RE: ASC Compliance Review of Rhode Island's Appraiser Regulatory Program

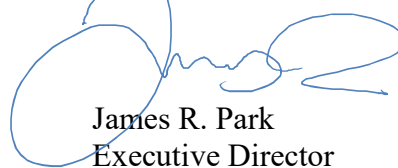
Dear Ms. Tanner:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Rhode Island appraiser regulatory program (Program) on October 2-4, 2017, 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." Rhode Island 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. Maria D'Alessandro, Deputy Director
Ms. Donna Constantino, Associate Director
Mr. William DeLuca, Real Estate Administrator
Ms. Amy Stewart, Senior Legal Counsel

ASC Finding Descriptions

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

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

¹ 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: December 20, 2017

Rhode Island Appraiser Regulatory Program (State)		Rhode Island Real Estate Appraisers Board (Board)		PM: K. Klamet	ASC Compliance Review Date: October 2-4, 2017	Review Period: October 2015 to October 2017
Umbrella Agency: Department of Business Regulation			Number of State Credentialed Appraisers on National Registry: 439		Review Cycle: Two Year	

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:	X			No compliance issues noted.	N/A	None	None
Temporary Practice:	X			No compliance issues noted.	N/A	None	None
National Registry:	X			No compliance issues noted.	N/A	None	None
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:	X			No compliance issues noted.	N/A	None	None

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Appraisal Subcommittee
Federal Financial Institutions Examination Council

October 30, 2017

Mr. Jonathan Stewart, Division Director
Division of Real Estate
Real Estate Appraiser Licensing and Certification Board
P O Box 146711
Salt Lake City, UT 84114

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

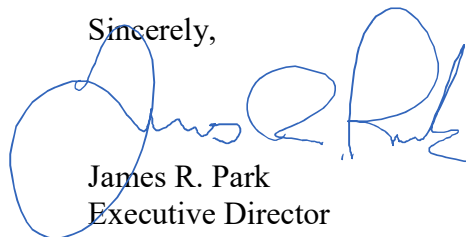
Dear Mr. Stewart:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Utah appraiser regulatory program (Program) on July 11-13, 2017, 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 and will be monitored by ASC Staff. Utah 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. Justin Barney, Hearing Officer
Mr. Mark Fagergren, Director of Licensing and Education
Ms. Kadee Wright, Chief Investigator
Ms. Kendelle Christiansen, Licensing Specialist

ASC Finding Descriptions

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

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

¹ 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: October 30, 2017	
Utah Appraiser Regulatory Program (State)							
Real Estate Appraiser Licensing & Certification Board (Board)			PM: K. Klamet		ASC Compliance Review Date: July 11-13, 2017		Review Period: May 2015 to July 2017
Umbrella Agency: Department of Commerce, Division of Real Estate (Division)				Number of State Credentialed Appraisers on National Registry: 1,206		Review Cycle: Two Year	
Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:			X				
States must have funding and staffing sufficient to carry out their Title XI-related duties. (12 U.S.C. § 3347; Policy Statement 1 B.)				The State's lack of sufficient legal resources has resulted in the AG's office failing to timely resolve complaints.	On October 3, 2017, the Division reported that the AG's office allocated an additional Assistant Attorney General to represent the Division. The Division now has 3 full-time AG's. In addition, the Division created a new attorney position, Real Estate Analyst, to assist in drafting stipulations and representing the Division at licensing and enforcement hearings.	The State should ensure the Program has sufficient funding and staffing for an effective and timely complaint resolution process.	ASC staff will pay particular attention to this area during the next Review to verify the effectiveness of the additional legal resources as required by Title XI.
Temporary Practice:	X						
				No compliance issues noted.	N/A	None	None
National Registry:	X						
				No compliance issues noted.	N/A	None	None
Application Process:	X						
				No compliance issues noted.	N/A	None	None
Reciprocity:	X						
				No compliance issues noted.	N/A	None	None
Education:	X						
				No compliance issues noted.	N/A	None	None

ASC Compliance Review Report					ASC Finding: Good		
					Final Report Issue Date: October 30, 2017		
Utah Appraiser Regulatory Program (State)							
Real Estate Appraiser Licensing & Certification Board (Board)		PM: K. Klamet		ASC Compliance Review Date: July 11-13, 2017		Review Period: May 2015 to July 2017	
Umbrella Agency: Department of Commerce, Division of Real Estate (Division)			Number of State Credentialed Appraisers on National Registry: 1,206			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				
Enforcement:			X				
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.)				The State had 36 outstanding complaints of which 5 were unresolved for more than 1 year and 10 were unresolved for more than 2 years. Of the aged complaints, 5 were removed under the exemption for special documented circumstances.	On October 3, 2017, the Division reported that 9 of the 15 aged complaints have been resolved. Litigation and/or negotiations continue on the 6 remaining cases.	The State should employ ways to process complaints of appraiser misconduct or wrongdoing in a timely manner to ensure compliance with ASC Policy Statement 7.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7.

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

November 15, 2017

Ms. Christine Martine, Executive Director
Real Estate Appraiser Board
Department of Professional and Occupational Regulation
9960 Mayland Drive, Suite 400
Richmond, VA 23233

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

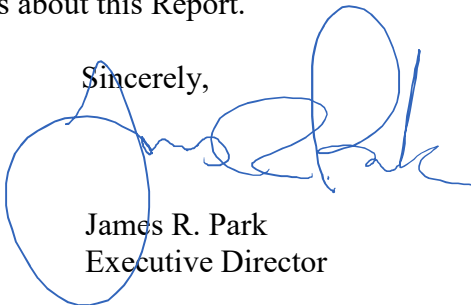
Dear Ms. Martine:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Virginia appraiser regulatory program (Program) on August 15-17, and August 24, 2017, 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. Virginia 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. Jim Chapman, Board Administrator

ASC Finding Descriptions

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

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

¹ 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: November 15, 2017

Virginia Appraiser Regulatory Program (State)			
Virginia Real Estate Appraiser Board (Board)	PM: J. Tidwell	ASC Compliance Review Date: August 24, 2017	Review Period: August 2015 to August 2017
Umbrella Agency: Department of Professional and Occupational Regulation (DPOR)		Number of State Credentialed Appraisers on National Registry: 3,363	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:	X			No compliance issues noted.	N/A	None	None
Temporary Practice:	X			No compliance issues noted.	N/A	None	None
National Registry:	X			No compliance issues noted.	N/A	None	None
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:			X	No compliance issues noted.	N/A	None	None
States should ensure that persons analyzing complaints for USPAP compliance are knowledgeable about appraisal practice and USPAP, and document the qualifications of those persons. (12 U.S.C. § 3347; Policy Statement 7 B.)				Dismissed complaints did not contain sufficient documentation to support the rationale for dismissal. Furthermore, the State's Intake Program does not have staff with sufficient knowledge of USPAP and appraisal practice to ensure complaints regarding possible USPAP violations are adequately addressed.	On October 13, 2017, the State reported that while it disputes the finding of non-compliance, it does intend to enroll Intake staff in USPAP training to enhance their knowledge base.	The State should implement an effective process to ensure it appropriately documents dismissed complaints in accordance with Policy Statement 7 and include rationale for the dismissal. The State should ensure staff that analyses appraisal complaints for potential USPAP violations have USPAP training.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 7.



Dipáttamenton Kontribusion yan Adu'áná

DEPARTMENT OF

REVENUE AND TAXATION

GOVERNMENT OF GUAM

Gubetnamenton Guáhan

EDDIE BAZA CALVO, Governor Mega'íáhi
RAY TENORIO, Lt. Governor Tíñente Gubetnadot

JOHN P. CAMACHO, Director
Direktot
MARIE M. BENITO, Deputy Director
Sigundo Direktot

December 15, 2017

MS DENISE GRAVES
Deputy Executive Director
APPRAISAL SUB-COMMITTEE (ASC)
1401 Street N.W. Suite 760
Washington, D.C. 20005

JAN

JAN 03 2018

RE: Ms. JENNY TIDWILL, Policy Manager for Guam

Dear Ms. Graves,

We bring you greetings for the holidays from the beautiful island of Guam!

Ms. Jenny Tidwell has been our Policy Manager for about four (4) years. As we are aware that your managers are being rotated periodically and in this case, her time with Guam assignment will soon come to an end, we definitely would want you to know how much Guam appreciates Ms. Tidwell for all that she has done to assist our Appraiser Regulatory Section on all and every matter regarding appraisal matters. Ms. Tidwell is so well-versed and knowledgeable on every area of Appraisal regulations and policy and any related matters of Appraisal business. There is always a feeling of ease and good outcome whenever we consult Ms. Tidwell on appraisal matters and she goes out of her way to contact other sources, if need be, only to assist Guam.

Throughout the years that she oversees Guam, she is always ready to lend a helping hand whenever we encounter situation/(s) that need guidance and explanation to the local appraiser licensees in Guam. She conducts the scheduled audit very thoroughly and assesses Guam with accuracy and fairness. Ms. Tidwell's knowledge of her craft combined with her professionalism, objectivity and kindness, give us ease and confidence to carry out the tasks of our Guam Appraiser Section.

Although it is with sadness that we will no longer have direct contact with her, we are confident that the new Policy Manager for Guam will be equally qualified and knowledgeable as her knowing that that the Appraisal Sub-Committee's team employs the most qualified personnel.

This letter brings full appreciation and thanks to ASC for allowing Ms. Jenny Tidwell to be the Policy Manager for Guam with her outmost capacity and knowledge in giving guidance and assistance to Guam whenever we request her expertise.

Again, we thank you so much and we welcome the new Policy Manager that will be assigned to Guam.

Very sincerely yours,


JOHN P. CAMACHO
Director

Apsc/121517

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

November 30, 2017

Mr. David Bunton
President
The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005


Dear David,

During the November 8, 2017 ASC Meeting, the Board asked ASC staff to write a letter encouraging the Appraisal Foundation, particularly the Appraiser Qualifications Board (AQB), to explore opportunities to bring U.S. military veterans into the appraisal profession as a career following their military service.

As you know, veterans have a wide array of education and workplace experiences. Partnering with veterans' groups could provide an important connection to a pool of new appraisers. At the same time, it could also provide a meaningful and rewarding career path for those who have served. Veterans who retire with a pension are particularly well suited for the appraisal profession since they have an income to help support themselves while working to obtain the experience hours required for a credential.

If the Appraisal Foundation chooses to take up such an effort, please let the ASC know if there is anything we can do to assist.

Regards,



James R. Park
Executive Director

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

January 12, 2018

Via Email

Mr. Mark A. Lewis, Chair
Appraiser Qualifications Board
The Appraisal Foundation
1155 15th Street, NW
Suite 1111
Washington, DC 20005

Dear Chair Lewis:

The Appraisal Subcommittee (ASC) staff appreciates the opportunity to comment on the Fourth Exposure Draft of Proposed Changes to the *Real Property Appraiser Qualification Criteria* (AQB Criteria). These comments reflect the opinions of ASC staff and are not necessarily those of the ASC or its member agencies.

The proposed criteria include a provision for successful completion of college-level courses in lieu of a Bachelor's Degree. In the past, the AQB Criteria included a college course equivalency provision that was difficult for State Regulators to enforce and led to its inconsistent application. In its rationale for eliminating the "in lieu of" option in 2011, the AQB indicated that "regulators, applicants and grantors of appraisal credentials all expressed difficulties in evaluating the equivalency of the 'in lieu' option."¹ This reversion to "in lieu of" criteria has the potential to recreate the problems that existed prior to 2011 by requiring States to determine whether a course submitted meets AQB requirements. For the States, this is difficult, costly and time consuming and often results in a judgement call which may not be uniformly applied between States. In addition, it may be unclear to potential applicants which courses would meet the college course equivalency. If the AQB includes the "in lieu of" provisions in the final AQB Criteria, the AQB should provide an interpretation to the Criteria indicating what topics should be included in specific classes in order for them to qualify for "in lieu of" status. The College Level Examination Program® (CLEP) credit and Associates Degree requirement are more easily verified by State regulators.

The Exposure Draft includes an alternative path to a certified residential appraisal credential based on experience at a lower level. However, the provision of III B appears to be negated by III F. Appraisers and the public may be better served by providing a path for State licensed appraisers in good standing to qualify for a higher-level credential in lieu of the degree requirement. ASC staff supports the alternative path and suggests that the AQB remove Licensed Residential from III F.

¹ Fourth Exposure Draft of Proposed Revisions to the Future *Real Property Appraiser Qualification Criteria*, Section 2 Rationale p.9, June 17, 2011.

The reduction in hours appears reasonable given increased education requirements over the years, and the introduction of the National Appraiser Licensing Exams in 2008. However, the AQB should carefully consider removal of the minimum period allowed to accumulate those hours since it serves as a guard against appraisers attempting to accumulate their experience hours by working inordinate hours, thereby potentially diminishing the value of their experience.

Historically, changes made to the AQB Criteria altered minimum requirements States had to implement in order to comply with Title XI. In the case of the proposed criteria, it would permit States to apply a lesser requirement for credentialing. Therefore, if adopted, States will have several options:

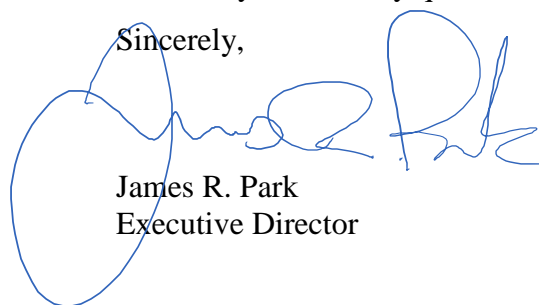
- (1) to implement the lesser requirement by choice;
- (2) to maintain 2015 minimum requirements; or
- (3) for States that by law cannot maintain any requirement over the minimum AQB Criteria, adoption of the proposed criteria will be necessary.

For States that fall within the third option, statutory and/or regulatory changes will likely be required to implement such changes. ASC staff urges the AQB to consider an implementation period to allow those States time to amend their regulations in order to not be out of compliance with their own State laws.

As a final comment, Title XI provides two paths that promote mobility of appraisers from State to State (reciprocity and temporary practice permits). Mobility may be reduced if States have varying minimum qualifications, particularly in the case of reciprocity. Therefore, the AQB should be cognizant of the fact that the proposed changes to the AQB Criteria which would allow States to have varying minimum credentialing requirements may negatively impact credentialing by reciprocity.

ASC staff recognizes the significant challenges for the AQB posed by today's marketplace and appraisal regulatory system. We also appreciate the significant effort and resources the AQB has devoted to this project. Please contact us if you have any questions.

Sincerely,



James R. Park
Executive Director

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
SEPTEMBER 13, 2017**

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

ATTENDEES

ASC MEMBERS: FRB – Art Lindo (Chair)
CFPB – Veronica Spicer
FDIC – Marianne Hatheway
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 – Kristi Klamet
Policy Manager – Vicki Metcalf
Policy Manager – Jenny Tidwell
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 – Philip Neary
FDIC – Michael Briggs
FDIC – Suzy Gardner
FDIC – Mark Mellon
FDIC – Tony Womack
FHFA – Ming-Yuen Meyer-Fong
FRB – Gillian Burgess
FRB – Carmen Holly
FRB – Matt Suntag
JPMorgan Chase Bank - Sirisha Kalicheti
OCC – Kevin Lawton
OCC – Chris Manthey
OCC – Joanne Phillips

Pro Teck Valuation Services – Jeff Dickstein
REVAA – Mark Schiffman
REVAA – Tom Tilton

PRESENTERS: David Bunton – Appraisal Foundation
Edna Nkemngu – Appraisal Foundation

The Meeting was called to order at 10:05 a.m. by A. Lindo.

REPORTS

- **Chairman**

A. Lindo welcomed observers to the Meeting. He noted that, due to the natural disasters in the past few weeks, there is a considerable amount of interest in the role that appraisals will have on reconstruction in areas with considerable damage.

- **Executive Director**

J. Park introduced Cheryl Walker as the new HUD representative. He reported that the Unique Identification Number (UID) was launched on July 17th. Eight States have converted to UIDs with an additional 10-15 States expected to convert in the coming weeks. Upgrades to the National Registry have also been rolled out that have improved search times and presentation of results. There were some minor issues but they have been resolved.

- **Delegated State Compliance Reviews**

A. Bohorfoush reported on State Compliance Reviews completed pursuant to delegated authority since the ASC's May 10th Meeting. Seven State Compliance Reviews were finalized and approved by the Executive Director under delegated authority. Idaho, Iowa, Mississippi and New Hampshire were each awarded a Finding of "Excellent" and all will remain on a two-year Review Cycle. The District of Columbia, Maine and Nebraska were each awarded a Finding of "Good" and all will remain on a two-year Review Cycle.

- **Financial Manager**

G. Hull reported on the Appraisal Foundation's March – June 2017 grant reimbursements. These requests covered the work of the Foundation's Boards as well as Investigator Training. The total grant budget for FY17 is \$659,085 and \$276,000 remains available. J. Park noted that the Investigator Training course scheduled in Tampa, FL for September 11-13 was cancelled due to Hurricane Irma and will be rescheduled. It was obligated in the FY17 grant and will be accrued so it will not impact the FY18 ASC budget.

ACTION ITEMS

- **May 10, 2017 Open Session Minutes**

R. Taft made a motion to approve the May 10th open session meeting minutes as presented. V. Spicer seconded and all members present voted to approve.

- **Appraisal Foundation FY18 Grant Proposal**

D. Bunton and E. Nkemngu presented the FY18 Appraisal Foundation (Foundation) grant proposal in the amount of \$1,124,410. The Appraiser Qualifications Board (AQB) has been working on revisions to the Criteria. The AQB is considering possible alternatives to the current experience requirements for each of the three classifications. In addition, the AQB is pursuing a track whereby experienced State Licensed appraisers in good standing may seek the Certified Residential credential without possessing a bachelor's degree. The AQB will issue an exposure draft regarding these changes and could potentially adopt the Criteria at its February 2018 Meeting. The AQB is also updating the questions for the National Uniform Appraiser Licensing and Certification Examination. D. Bunton noted that for the period covering January 1, 2016 through July 1, 2017, the number of first time test takers was 22% higher than the previous period. A. Lindo asked if the increase was geographical. D. Bunton responded that there was an increase of test takers in the south central United States. M. Hatheway asked if the Foundation tracks the age demographics of test takers. D. Bunton responded yes and he will forward it to the ASC. He said that there was an increase in test takers under the age of 40.

The Appraisal Standards Board (ASB) expects that the 2018/19 edition of USPAP will be available on October 1st. The ASB will conduct a comprehensive survey of stakeholders to determine what areas of USPAP need further clarification and what emerging issues currently not addressed by USPAP should be included in the next edition. The Foundation envisions USPAP going to 4-year cycle depending on the results of the survey.

The State Investigator Training Program (ITP) collaborative effort between the ASC, Foundation and AARO continues to be well received by attendees. Funding is requested for one session each of the Level One, Two and Three courses in FY18. D. Bunton and A. Lindo asked if the ASC Policy Managers have noticed an improvement in States' enforcement programs. D. Graves responded that staff has compiled a chart that shows there has been improvement in State enforcement and she will send it to the ASC. D. Bunton said that the ITP courses will be updated to include the 2018/19 edition of USPAP. R. Taft asked if the course attendee size is reasonable. D. Bunton responded that they try to keep course size at 50 students or less.

D. Bunton said that the FY17 grant accounted for 16% of Foundation revenue and makes up 52% of the AQB and ASB budgets. He did forward a copy of the 2017 Foundation budget to the ASC that shows how much the grant makes up for the budgets of the AQB and ASB.

- **ASC FY18 Budget Proposal**

J. Park discussed the ASC's FY18 proposed budget. While the number of appraisers on the National Registry has been decreasing approximately 2% annually since 2010, it appears this decline may be leveling off. Operating expenses are estimated to be approximately \$2.9 million with revenue estimated at \$3.5 million. Staff is recommending funding \$660,000 for the Foundation and State FY18 grant. Of this amount \$350,000 would go towards the State grant (ITP) and \$300,000 would be for the Foundation's grant-eligible activities. If the budget is approved as presented, the ASC would have a budget deficit of approximately \$153,000 for FY18. The ASC has approximately \$4.5 million in reserves. Operating expenses and the Foundation grants are included in the reserves.

J. Park discussed the operating expenses. He noted that the ASC currently has 12 employees and is authorized up to 15 full-time equivalents. The position for the Regulatory Affairs Specialist is proposed for hire in the fourth quarter of FY18. Staff is requesting fewer trips in FY18 due to fewer Foundation Meetings and State Priority Contact visits. The ASC's lease at its current location expires in October 2018. While the potential move would not take place until FY19, \$20,000 is budgeted for any advance expenses, such as construction that may be needed in FY18 once a location is selected. The ASC has upgraded the National Registry, computer hardware and infrastructure in FY17, which will decrease some computer-related costs in FY18. R. Taft asked if the amount used for hotel rates in travel is based on actuals. G. Hull responded "yes" because costs had decreased in FY17. D. Graves added that Compliance Reviews that occur in smaller cities generally have lower hotel rates. M. Hatheway said she was supportive of the ASC's FY18 proposed budget as presented. C. Walker moved for approval of the FY18 budget and Foundation grant as recommended by staff. This includes \$2.973 million for operating expenses, \$350,000 for the Foundation grant and \$310,000 for the State grant (ITP). M. Hatheway seconded and all members present voted to approve.

- **Final Rulemaking – AMC National Registry Fee Implementation**

A. Ritter presented the Final Rule for the AMC National Registry Fee Implementation. The Final Rule is substantially similar to the Proposed Rule. The ASC received 104 comments on the Proposed Rule. A majority of comments were from appraisers concerned that AMCs would pass the registry fee on to the appraisers. She said that the ASC does not have authority to regulate this concern. Some commenters raised issues concerning federally-regulated AMCs being required to report to States that do not or cannot regulate them. The ASC will continue to monitor this issue with the Agencies. The Final Rule approval was delayed due to the Regulatory Freeze put into effect on January 20, 2017. In June, the Office of Management and Budget (OMB) determined that the ASC could move forward on the Final Rule. After a brief discussion, V. Spicer moved for approval to allow ASC staff to make minor non-substantive edits and to publish the Final Rule in the *Federal Register* with an effective date of 60 days from the date of publication. T. Segerson seconded and all members present voted to approve.

- **Revised ASC Policy Statements for approval to repost in *Federal Register* for public comment**

A. Ritter presented the Revised Policy Statements. The Policy Statements had been published in the *Federal Register* in January 2017 with a 90-day comment period. The comment period was suspended due to the Regulatory Freeze that was effective on January 20, 2017. The OMB has given the ASC approval to repost the Policy Statements for comment. A. Ritter suggested the Policy Statements have a 60-day comment period once they are published. R. Taft questioned the 60-day comment period instead of the 90 days allowed in the earlier submission. A. Ritter responded that the earlier version was finalized during the holiday season so extra time was added to the comment period. A. Lindo questioned the possible burden that the Policy Statements could have on States. A. Ritter responded that the Policy Statements provide guidance to implement requirements of Title XI and States can choose not to have a program. J. Park said that the argument could be made that the Policy Statements lessen the burden. A. Ritter noted that every requirement in the Policy Statements was tied to Title XI. R. Taft moved to approve the Policy Statements for publication with a 60-day comment period in *Federal Register*. M. Hatheway seconded and all members present voted to approve.

- **Agency Reform Plan for submission to the Office of Management and Budget**

J. Park presented the Agency Reform Plan that is due to OMB on September 30th. There has been no response from OMB to the ASC's draft reform plan. The ASC is also drafting a Strategic Plan for the period of 2019-2024 as the current Plan goes through 2018. V. Spicer noted that the applicability of this exercise to independent executive agencies is not clear. A. Ritter responded that OMB said that this exercise did apply to self-funded agencies. V. Spicer cautioned against cost efficiency over effectiveness. After further discussion, there was consensus among the members that the Plan be sent to the OMB.

The Open Session adjourned at 11:20 a.m. The next ASC Meeting will be November 8, 2017.

Memo

To: South Dakota Professional Associations, Members and Staff
From: Kelsey Smith & Ellie Bailey, Office of the Governor
Re: Licensure Compact
Date: January 04, 2018

Background and Introduction

Workforce development is not a new challenge for South Dakota, and it's an issue that states across the nation face. In early August, US Department of Labor Secretary Alexander Acosta attended a workforce forum hosted by Governor Dugaard in Sioux Falls. After the governor made comments about workforce challenges and barriers professional licenses can present, the governor and Sec. Acosta agreed to take action to eliminate bureaucratic barriers to licensed occupations. Later in August, Gov. Dugaard had individual conversations with governors from Colorado, Montana, North Dakota and Wyoming. All were in agreement a licensure reciprocity compact made sense.

Since that time, staff from the US Dept. of Labor, South Dakota licensure boards and the governor's office has been working on a compact which offers a temporary, 18-month license for individuals. Our hope is for each state to follow South Dakota's lead and introduce this compact in their 2018 legislative session (2019 for North Dakota). The idea is that if you're good enough to be licensed in State A, you're good enough for a temporary license in State B.

Gov. Dugaard has asked us to share this draft with you and the following background information. For those interested, a briefing will be offered via phone and in-person on Wednesday, January 10th at 3:00pm CT.

- *In-person: Governor's Large Conference Room in the SD State Capitol, 2nd floor, 500 East Capitol Avenue, Pierre*
- *Via phone: 1.866.410.8397 / passcode: 365.105.9243#*

Purpose

The purpose of this draft legislation is to eliminate bureaucratic barriers to licensed occupations.

- The idea behind the temporary license is to give the licensee additional time to meet stricter requirements in the state to which he or she is moving.
- The state issuing the temporary license will have the authority to communicate directly with other states to ensure the applicant is in good standing in the original licensing state (no pending disciplinary actions, etc.).
- There should be a fee for the temporary license that is commensurate with what's already required.
- The temporary license should be non-renewable, unless a member state chooses to offer that option. South Dakota is not proposing renewable temporary licenses at this time.
- The board receiving the application should have limited discretion to deny the application if (1) the individual has a full license in another compacting state, (2) the individual is in good standing in all states in which he or she is licensed, or (3) the individual is ineligible based on the results of a background check.
- The bill does not require that an individual establish residency in the incoming state to be eligible for a temporary license.
- Every state would be "eligible" to join in this compact if they were to adopt the model legislation.
- The intention is that the compact cover occupational credentials for individuals, not establishments/businesses.

This will be a governor's bill introduced in the 2018 legislative session.

Questions and Comments

1. *How is this compact different from and/or work with the current state laws (SDCL 36-1B) related to expedited licensure for spouses of military personnel? Does it invalidate those statutes?*

The USDOL staff recommended we include a provision for military spouses. We pointed out that South Dakota and many other states already passed legislation to give preferential treatment to military spouses, understanding how mobile those spouses can be.

SDCL 36-1B-3 allows for the issuance of a temporary license, certificate, registration or permit. The statute specifies, however, that it applies to licenses issued pursuant to SDCL 36-1B-2. As such, there does not appear to be a conflict that would invalidate any of the statutes set forth in SDCL 36-1B.

2. *How does this compact impact existing multi-state compacts?*

Section IX of the bill addresses how the compact is intended to work with other schemes. The compact creates an additional path to licensure and is intended to coexist with other compacts. The key difference is that this compact allows for a temporary licensure.

3. *What level of licensure does the temporary license grant the licensee when there are multiple levels of licensure?*

The temporary license should match the professional license level held at the home state. Secretary Acosta's Office prepared a chart that compares licenses among Montana, Wyoming, Colorado, South Dakota, and North Dakota. See attached.

4. *Is this intended for temporary work/projects?*

An individual could utilize the compact for a short-term project but only if the project is completed within 18 months. Further, under the current draft of the bill, if an individual takes advantage of this once, there is no opportunity to renew.

5. *What is the minimum amount of info the application has to include? Can we draft our own application that requires more?*

Sec. Acosta's office has drafted a one-page application for discussion purposes, but each licensing authority can determine what works best for that occupation.

6. *The Board believes it is important to validate the knowledge of applicants on administrative rules. For permanent licenses, the board validates this knowledge through a jurisprudence examination. That examination is not contemplated in the current legislation.*

That's accurate. A board could not require an examination prior to granting the temporary license. It is within a licensee's best interest to follow South Dakota law as there may be adverse consequences for failure to do so.

7. *Who will notify the destination state if member state revokes? Is that automatic denial or revocation of a temporary license?*

The compact contemplates a reliance on state to state communication rather than a national database. Section V of the bill allows a state to ask that the home state notify the state issuing the temporary license if the home state takes adverse action against a licensee.

8. *Should there be time requirements for home states have to verify information for destination states?*

A home state has 10 days. This is set forth in Section V.

9. *How would all of the logistics for each licensing board and each state's potential for enacting the compact be documented and kept track of?*

Many compacts create some sort of oversight board that controls the compact. This compact does not. The idea is that state to state communication will allow for the compact to succeed. Further, each licensing authority or board will be required to maintain its own information in a manner that works best for that board, just as each board does now.

10. *Is "full" necessary?*

The intent of the term "full" is to include licenses with no provisions, such as a student or apprentice.

11. *Should there be language for the individual continuing to work towards a permanent license?*

There is no requirement that the individual eventually seek a regular license.

12. *How does this apply to someone who works in a state that doesn't require a license in State A, but moves to State B which does?*

The intent of this compact is to address workforce challenges and offer mobility to licensed practitioners – if you're good enough for them, you're good enough for us. The issue with the unlicensed occupations is there is no "good enough" standard proven by a license from another state.

13. *Who gets to decide if an occupation gets to opt out?*

The legislature would make that determination. This is set forth in Section VI of the compact.

Closing

The governor will be mentioning the temporary licensure compact in his State of the State Address on Tuesday, Jan. 9 at 1:00pm CT. Gov. Daugaard shares the concerns of the Trump Administration that professional licensure standards hurt the economy by creating a barrier to entering many professions. Licensure can also make it difficult for professionals to move, because each state has its own licensure requirements. Clearly, professional licensure plays an important role in protecting the public – no one wants to be operated on by an unlicensed doctor or have one's house wired by an unlicensed electrician. But we must be sure that licensure isn't used to keep qualified workers out of the market.

Thanks in advance for taking the time to review this compact. On behalf of Governor Daugaard, we look forward to working together on this important issue.

Occupational Licensing Requirements Across Five Western States 2017

	Colorado	Montana	North Dakota	South Dakota	Wyoming
Abstractor				X	
Accountant (Certified Public and Public Accountants)	X	X	X	X	X
Addiction/Mental Health Counselor	X	X		X	C
Alcohol Wholesaler/Retailer/Manufacturer	X	X	X	X	X
Appliance (Contractor, Installer, and Apprenetice)				X	
Architect	X	X	X	X	X
Asbestos Abatement Contractor/Air Monitor Specialist	X		X	C	
Athletic Trainer	X	X	X	X	X
Attorney	X	X	X	X	X
Auctioneer (Real Estate)			X	X	
Audiologist	X	X	X	X	X
Bail Bond Agent	X		X	X	
Barber	X	X		X	X
Boxer/Boxing Professional/Mixed Martial Arts/Kickboxer	X	X	X	X, R	X
Bus Driver	X	X	X	X	X
Chiropractor	X	X	X	X	X
Coach, Head (High School Sports)	X	X	X	X	X
Cosmetologist	X	X	X	X	X
Counselor, Genetic				X	
Counselor, Professional	X	X	X	X	C
Crematory Operator/Tech		X	P	X	X
Dentist	X	X	X	X	X
Dental Assistant/Hygienist	X	X	X	X	X
Dietitian/Nutritionist		X	X	X	X
Earth Driller	X	X	X	X	X
Electrician (Contractor, Journeyman, and Apprentice)	X	X	X	X	X
Embalmer/Mortician/Funeral Director		X	X	X	X
Emergency Medical Services Personnel	R	X		X	X
Engineer	X	X	X	X	X
Fireworks Wholesaler/Retailer	X	X	X	X	
Gaming Cage Worker	X			X	
Gaming Cage Dealer	X	X		X	
Gaming Supervisor	X			X	
Embalmer/Funeral Director/Mortician		X	X	X	X
Hearing Aid Provider/Dispenser/Specialist	X	X	X	X	X
Home Inspector				X	
Insurance Producer	X	X	X	X	X
Interpreter, Sign Language			X	X	
Investment Advisor	X	R	R	R	R
Landscape Architect	X	X	X	X	X
Landscape Contractor (Commercial)	X	X	X	X	X
Landscape Contractor (Residential)	X	X	X	X	X
Land Surveyor	X	X	X	X	X
Lobbyist	R	X	R	R	R
Makeup Artist (Esthetician)	X	X	X	X	X
Manicurist/Nail Technician	X	X	X	X	X
Marriage & Family Therapist	X	X	X	X	X
Medical Assistant				X	
Midwife (Professional)	X	X	X	X	X

Mobile Home (Contractor, Installer, and Apprenetice)	X		X	X	
Money Broker/Dealer	X	R	R	R	R
Money Transmitter	X		X	X	X
Nurse	X	X	X	X	X
Nursing Home Administrator	X	X	X	X	X
Advanced Practice Nurse (including nurse practitioners, nurse midwives, clinical nurse specialists,	X				
Occupational Therapist/Assistant	X	X	X	X	X
Optometrist	X	X	X	X	X
Pesticide Applicator	X	X	C	X	X
Petroluem Release Services Professional				X	
Pharmacist/Pharmacist Technician	X	X	X	X	X
Physical Therapist/Assistant & Occupational Therapists	X	X	X	X	X
Physician/Osteopathic Physician/Physician Assistant	X	X	X	X	X
Plumber (Contractor, Journeman, and Apprenetice)	X	X	X	X	X
Podiatrist	X	X	X	X	X
Property Manager & Residential Rental Agent				X	
Psychologist	X	X	X	X	X
Real Estate Agent/Broker/Salesperson	X	X	X	X	X
Real Estate Appraiser	X	X	X	X, R, C	C
Respiratory Care Practitioner	X	X	X	X	X
School Administrator/Principal/Superintendent	X	X	Credential	C	Endorsemei
School Bus Driver	X	X	X	X	X
Sewer and Water (Contractor, Installer, and Apprenetice)				X	
Shampooer	X	X	X	X	X
Social Worker	X	X	X	X	X
Speech Pathologist	C	X	X	X	X
Taxidermist		X	X	X	X
Teacher/Educator	X	X	X	C	X
Therapist, Massage				X	
Timeshare Agent				X	
Title Examiner (Abstractor)			X	X	
Tobacco Distributor/Retailer/Manufacturer	X		X	X	
Travel Guide	X	X	X	X	X
Truck Driver	X	X	X	X	X
Truck Driver, Tractor-Trailer	X	X	X	X	X
Underground Irrigation (Contractor, Installer, and Apprenetice)				X	
Vegetation Pesticide Applicator	X	X	X	X	X
Veterinarian	X	X	X	X	X
Water Conditioning (Contractor, Installer, and Apprenetice)				X	

KEY	
X	licensure
C	certificaiton
R	registration
P	permit

DRAFT LICENSURE BILL

The Interstate Compact for the Temporary Licensure of Professionals is hereby enacted into law and entered into with all other jurisdictions legally joining the compact, which is substantially as follows:

SECTION I. PURPOSE

The purpose of this compact is to:

- (a) allow member states to expediently grant a temporary license to eligible licensees moving to their state;
- (b) allow eligible licensees moving to a member state time to meet the licensure requirements of the destination state while practicing their occupation;
- (c) increase the mobility of professional licenses, safeguard the health and safety of the public, and enhance the workforce in member states.

SECTION II. DEFINITIONS

In this compact:

- (a) “Applicant” means a natural person who has submitted an application to a member state for a temporary license.
- (b) “Background check” includes a criminal background investigation and a national criminal history record check.
- (c) “Destination state” means the member state in which a temporary license is sought.
- (d) “Member state” means a state that has enacted the compact.
- (e) “Military spouse” means a person whose spouse is a member of the United States Armed Forces that is on active duty and stationed in the destination state.
- (f) “Professional License” or “License” means any state issued credential that authorizes a natural person to work in a given profession, which would be unlawful without the authorization of a state licensing authority.
- (g) “State” means any state, commonwealth, district, or territory of the United States.

- (h) “Temporary license” means an unrestricted license granted by a member state to an eligible professional through the process set forth in the compact.
- (i) “Unrestricted license” means a license that is not conditioned on that particular licensee’s agreement to limit the scope of his or her professional work or to engage in additional requirements or protocols specific to that licensee.

SECTION III: CONTENTS OF APPLICATION AND FEES

An application for a temporary license shall include the following:

- (a) The applicant’s full name;
- (b) A list of all states in which the applicant holds a professional license; and
- (c) A statement by the applicant that he or she:
 - i. holds a valid, full, and unrestricted license in a member state; and
 - ii. is in good standing, as set forth in Section IV, with every other state in which the individual is licensed.

The licensing authority may request identifying information such as an applicant’s date of birth, social security number, or state license number. The destination state’s licensing authority may charge fees comparable to other fees charged by that licensing authority.

SECTION IV: ISSUANCE OR NON-ISSUANCE OF TEMPORARY LICENSE

An applicant seeking a temporary license shall submit a complete application to the licensing authority of the destination state. The licensing authority of the destination state, or its agent, shall issue the temporary license within 30 days of receipt of a complete application unless it determines that the applicant: (1) does not possess a valid, full, and unrestricted license issued by a member state; (2) is not in good standing in all states in which the applicant is licensed; or (3) is ineligible due to a disqualifying record identified during a background check. An applicant is considered to be in good standing with a state licensing authority if the licensee is not under

active investigation, has not been the subject of an unfavorable determination in a disciplinary action two years prior to the date of the application, and has no pending disciplinary actions before the authority. A licensing authority may only conduct a background check if it is otherwise authorized to do so. Based on the results of a background check, a licensing authority may find an applicant ineligible for a temporary license only if it would similarly find an applicant for a regular license ineligible. An applicant who fails to meet the necessary requirements shall be issued a prompt ineligibility letter from the licensing authority of the destination state or its agent. Any applicant found to be ineligible may appeal the determination pursuant to chapter 1-26.

SECTION V: DUTIES OF MEMBER STATES

Upon request, each member state shall provide another member state with the following information within 10 days:

- (a) whether a licensee possesses a valid, full, and unrestricted license; and
- (b) whether a licensee is in good standing as set forth in Section IV.

Further, a destination state may notify a member state when the destination state grants a temporary license based on an individual's licensure within that member state. If so notified, the member state shall promptly inform the destination state if it takes adverse action against such licensee.

SECTION VI: OPT OUT

Any member state may decline to afford reciprocity to active licensees from another member state for a particular occupation by enacting legislation finding that the requirements for such licenses in the relevant member state are inadequate to protect the public health and safety.

SECTION VII: TERMS OF TEMPORARY LICENSE

The temporary license shall be for a term of eighteen months unless the applicant is a military spouse. If the applicant is a military spouse the temporary license shall be for a term of two years. A temporary license is non-renewable except that any member state may decide to make temporary licenses for any or all occupations renewable by statute. An individual holding a temporary license is authorized to work as a licensed professional in the destination state consistent with all applicable laws and regulations of the destination state and the licensure authority that issued the temporary license.

SECTION VIII: JURISDICTION OVER LICENSEES

An individual issued a temporary license by a destination state automatically submits himself or herself to the jurisdiction of the licensing authority of the destination state. Other member states, however, retain jurisdiction to impose adverse action against their own licensees.

SECTION IX: STATE LAW SUPERSEDED

All member states' laws, except for state constitutions, are superseded by the Interstate Compact for the Temporary Licensure of Professionals to the extent of a conflict. The option of temporary licensure that this Compact creates is intended to coexist with the option of permanent licensure that may be created by other interstate licensing compacts specific to a profession, and whenever possible this Compact should be interpreted so as to imply no conflict between it and any other licensing compact. Nothing in this compact shall be construed to limit the ability of a licensing authority to issue a license pursuant to a state or federal law that allows for issuance of licenses in a more expedited manner.

SECTION X: EFFECTIVE DATE

Any state is eligible to become a member state. The compact shall become effective and binding upon legislative enactment of the compact into law by no less than two states. The

initial effective date shall be the later of July 1, 2018, or upon the date the law is enacted in the second jurisdiction to join the compact. Thereafter it shall become effective and binding as to any other member state upon the date the law becomes enacted in that state.

SECTION XI: WITHDRAWAL

Any member state may withdraw from this compact by specifically repealing the statute that enacted the compact into law. The effective date of the withdrawal is the effective date of the repeal. Temporary licenses issued by the member state prior to the withdrawal date shall not be affected by withdrawal.

SECTION XII: INSUBSTANTIAL DIFFERENCES

The validity of this compact shall not be affected by any insubstantial differences in its form or language as adopted by any member state.

Legal News

Illinois brothers charged with fraud against independent AMC

Legal News



Exclusive

Friday, December 29, 2017

The U.S. Attorney's Office in Chicago has charged two suburban mortgage brokers with fraudulently operating a purportedly independent appraisal management company (AMC) to control property valuations, and brokering fraudulent loans to finance real estate transactions between themselves and nominees, according to a release from the U.S. Attorney's Office of the Northern District Court of Illinois.

The U.S. Attorney's Office charged the suburban mortgage brokers with fraud for allegedly controlling property appraisals in a scheme to defraud lenders. Steven L. Garcia and his brother Michael R. Garcia operated American Financial Mortgage Services Inc., a licensed mortgage brokerage in Schaumburg, Ill. According to criminal information filed in federal court in Chicago, the brothers fraudulently caused lenders to make mortgage loans brokered by American Financial by falsely representing that the supporting property appraisals were performed by independent appraisers.

The facts, though, are that Steven Garcia, 45, of Schaumburg, Ill., and Michael Garcia, 43 of Streamwood, Ill., along with American Financial employees, selected the appraisers, managed the appraisal process, influenced property valuation and paid the appraisers. The brothers are charged with one count of mail fraud and one count of wire fraud, the court stated.

According to the release, the charges were announced by John R. Lausch, Jr., U.S. Attorney for the Northern District of Illinois; Brad Geary, special agent-in-charge of the U.S. Department of Housing and Urban Development's Office of Inspector General in Chicago; and Jeffrey S. Sallet, special agent-in-charge of the Chicago office of the Federal Bureau of Investigation.

The charges stem from the fact that Federal Housing Administration (FHA) regulations prohibit mortgage brokers from having substantive communications with appraisers relating to valuation of properties, including ordering or managing an appraisal assignment, and from paying appraisers. Lenders rely on independent appraisals conducted within FHA regulations.

According to the charges, Steven and Michael Garcia bypassed FHA regulations by controlling a purportedly independent appraisal firm – Residential Appraisal Management Company Inc. (RAMCI) – through a nominee. The Garcia brothers fraudulently used RAMCI to steer appraisals to hand-picked appraisers, including a relative of the accused brothers, who would provide an appraised value sufficient to support a proposed loan, while falsely representing to lenders that RAMCI selected appraisers based on experience and skill, the information states.

“Steven and Michael Garcia also fraudulently caused lenders to make mortgage loans to finance fraudulent real estate transactions in which they and their nominees purchased and re-sold residences at

inflated prices to unqualified nominees who then defaulted on the loans, the information states," the court said.

"The Garcia brothers furnished lenders with false employment and income information to support the nominees' loan applications, and then provided the nominees with the money to make the purchases, the information states. The accused brothers also fraudulently obtained approximately \$1.9 million that was disbursed at the closings of the fraudulent real estate transactions, and another \$274,000 in commissions from those deals, the information states," the court added.

Each count in the information is punishable by up to 30 years in prison. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory U.S. Sentencing Guidelines. The government is represented by Assistant U.S. Attorneys Brian Netols and Matthew Ebert.

Today's other top stories

Executive discusses alternative ways AVMs are handled

Report: Owner perception, appraiser opinion gap narrows

Class Appraisal names president

Greystone announces new leadership

International real estate companies resisting change

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<https://www.wsj.com/articles/whats-a-house-worth-wall-street-turns-to-drive-by-appraisals-1516536001>

MARKETS

What's a House Worth? Wall Street Turns to Drive-By 'Appraisals'

Financial firms turn to a quick and cheap valuation process—sometimes outsourced to India—that is drawing scrutiny



An aerial view of residential neighborhoods containing rental properties in Spring Hill, Tenn. Financial firms are turning to broker price opinions, or BPOs, as a quicker and cheaper way to appraise home values. PHOTO: LUKE SHARRETT FOR THE WALL STREET JOURNAL

By *Ryan Dezember and Peter Rudegeair*

Jan. 21, 2018 7:00 a.m. ET

When Blackstone Group LP wanted to borrow hundreds of millions of dollars to buy foreclosed homes after the housing crash, it needed a quick, inexpensive way to value thousands of houses the investment firm already owned and was offering as collateral.

Blackstone and its lender, Deutsche Bank AG, settled on a sort of drive-by valuation done by real-estate agents that are more cursory and cost far less than traditional appraisals.

Congress outlawed the use of such assessments, called broker price opinions, or BPOs, to value properties for traditional mortgages. But the prohibition, enacted as part of postcrash financial regulation, doesn't apply to investors buying tens of thousands of houses.

Now these perfunctory valuations abound, underpinning tens of billions of dollars of home deals. Sometimes the process is outsourced to India, where companies charge real-estate agents a few dollars to come up with U.S. home values by consulting Google Earth and real-estate websites.

BPOs have been used to value collateral in the more than \$20 billion of bonds sold by institutional landlords, such as Blackstone's Invitation Homes Inc., and in the fast-growing business of lending to individual house flippers. Banks request them when considering whether to foreclose or negotiate repayment plans with delinquent homeowners.

Their popularity shows how Wall Street is finding ways to adapt to government efforts to crack down on some of the excesses that contributed to the housing crisis. Critics say BPOs are ill-suited to gauge home values and could leave debtholders with less collateral than they thought. Properties worth less than their debt could result in losses for investors, while inaccurate price information might misguide a lender in a foreclosure process.

"BPOs are a creature of financial institutions that want deals to close fast, and so they don't have to use an appraiser," said Donald Epley, a retired University of South Alabama professor who helped write national appraisal standards after the 1980s savings-and-loan collapse. "You're just dumbing down the standards to make the loan."

Their proliferation has drawn attention from the Securities and Exchange Commission, which is investigating whether rental-home companies pushed for higher valuations on properties underlying securities. Meanwhile, appraisers and Realtors say the quality of BPOs has deteriorated as the price for performing them has dropped to as little as \$25 a house from \$50 or more.

Unlike appraisers, people who perform BPOs don't need much training or an appraisal license since the estimate is simply meant to suggest listing prices.

BPO proponents, including investors and rental-company executives, say that when pooling thousands of houses in an investment vehicle, individual valuations that are too high or low tend to balance out. The difficulty for appraisers to enter occupied homes also pushes investors toward BPOs, which they say are usually as accurate as appraisals.

"BPOs have really taken hold as a way for lenders and investors to do evaluations en masse," said Dennis Cisterna, chief executive of Investability Solutions, which provides services to rental-home companies. "Using appraisals on every property usually isn't financially or operationally feasible."

When Fannie Mae last year guaranteed about \$1 billion of Invitation Homes debt, it accepted BPOs for the 7,204 houses serving as collateral. Assuming a typical appraisal price of \$450 and the \$95 that Invitation Homes pays per BPO, the company saved about \$2.6 million.

Credit-rating firms usually discount BPO values when grading rent-backed bonds. Kroll Bond Rating Agency has trimmed them by about 10% and uses the lower of the reduced BPOs and the amounts spent buying and renovating the homes.

"We're never taking BPOs at face value," said Kroll's Daniel Tegen.

BPOs have been around for decades but boomed in the mortgage meltdown. Lenders ordered reams of them to price repossessed homes. Real-estate agents gobbled up the jobs as home sales dried up. Many, like Barbara Eisman, hoped the valuation work would lead to property listings.

It never did, said Ms. Eisman, a Washington, D.C., Realtor. Yet the roughly 5,000 BPOs she performed over the last decade provided regular income. Her recent assignments have included drive-bys to see if foreclosed homes were vacant and interior exams for mortgage modifications.

Ms. Eisman said an Indian company, AbVin Ventures LLP, offered to do the work for her for \$10 a house. AbVin asked for her login credentials for sales databases and the firms that hire her. She declined. "They'll kick me to the curb if they find someone is logging in and doing the work," she said.

Edward Wisniowski, a Crest Hill, Ill., broker, dialed back on providing price opinions after pay for many fell below \$50. He turned away Indian firms offering to do his work. "I don't know how they can do it," he said.

AbVin co-founder Abhishek Shimoga Onkaraswamy said his staff of 50 in Bangalore churns out as many as 300 BPOs a day using the clearinghouses of sales and listings data compiled by Realtors, who he said provide AbVin with login information, as well as websites like Zillow.

"There's not a big difference between what a broker can do and what we can do," he said. "We know what these companies are expecting from the brokers."

Francois Gregoire, a St. Petersburg, Fla., appraiser and former state regulator who has examined thousands of BPOs as a litigation consultant, said quality varies greatly. "Some look like the real-estate broker hired someone to go take photos of the property and did nothing more than sign the BPOs."

In the prospectus for the loan it guaranteed for Invitation Homes, Fannie Mae said drive-by assessments supplied by Green River Capital valued the collateral homes at 66.7% more than the loan amount, but that "the market values of the properties may not be accurately reflected."

People familiar with Fannie's processes said it compared the BPOs to home prices of the same properties in its own database.

In May, Green River parent Radian Group Inc. said the SEC requested information on BPOs it provided for rent-backed bonds. Invitation Homes and three other publicly traded landlords said in September they received subpoenas asking for any communications with Green River about adjusting the valuations, among other documents.

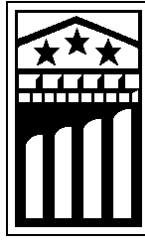
A Radian spokeswoman declined to comment. An Invitation Homes spokeswoman said the company selects, renovates and maintains its properties to the "highest standards," which is "underscored by the strong and consistent performance of these securities."

Write to Ryan Dezember at ryan.dezember@wsj.com and Peter Rudegear at Peter.Rudegear@wsj.com

Appeared in the January 22, 2018, print edition as 'Investors Turn to 'Drive By' Home Appraisals, Adding Risk.'

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Fall Meeting of the Board of Trustees November 4, 2017 - Scottsdale, Arizona

Meeting Summary

Below is a summary of the major issues addressed at the Fall Meeting of the Board of Trustees of The Appraisal Foundation (Foundation), which was held November 4, 2017, in Scottsdale, Arizona.

30th Anniversary of The Appraisal Foundation

November 2017 marked the 30th Anniversary of The Appraisal Foundation! During the Fall Board of Trustees meeting, the Foundation honored its Sponsoring Organizations for their support over the last three decades. Chairman Tom Boyer noted the commitment and collaboration of these organizations in promoting professional appraisal standards and appraiser qualifications. To our Sponsors, the Foundation says "thank you!"



2018 Officers Election and Boards Appointments

Election of 2018 Officers

The following individuals were elected as Officers of the Foundation's Board of Trustees for one year beginning on January 1, 2018:

- **Adam Johnston** of Raleigh, North Carolina was appointed as the 2018 Chair
- **Ronny W. Johnson** of New Braunfels, Texas was appointed as the 2018 Vice Chair
- **Leila Dunbar** of Washington, DC was appointed as the 2018 Secretary
- **Richard Edmunds** of Delevan, New York was appointed as the 2018 Treasurer
- **Lisa Hobart** of Birmingham, Michigan was appointed as the 2018 Assistant Secretary
- **Jeremy K. Gray** of Provo, Utah was appointed as the 2018 Assistant Treasurer
- **Thomas V. Boyer** of Coalville, Utah was appointed as the 2018 Immediate Past Chair

Appointment of Members to the Appraiser Qualifications Board

The following individuals were appointed or reappointed to the Appraiser Qualifications Board (AQB), with all terms beginning January 1, 2018:

- **Mark A. Lewis** of Lufkin, Texas was appointed as the 2018 Chair of the AQB
- **Greg Harding** of Gold River, California was reappointed for a three-year term and appointed as the 2018 Vice Chair of the AQB
- **Brad Swinney** of Dripping Springs, Texas was appointed for a one-year term
- **Shawn L. Telford** of Oxford, Mississippi was appointed for a three-year term

Appointment of Members to the Appraisal Standards Board

The following individuals were appointed or reappointed to the Appraisal Standards Board (ASB), with all terms beginning January 1, 2018:

- **Maggie Hambleton** of Columbus, Ohio was reappointed as the 2018 Chair of the ASB
- **Wayne R. Miller** of Tampa, Florida was appointed as the 2018 Vice Chair of the ASB
- **Michelle Czekalski Bradley** of Natrona Heights, Pennsylvania was appointed for a two-year term
- **Lisa Desmarais** of Broomfield, Colorado was appointed for a three-year term

Appointment of Trustees

The following individuals have been appointed or reappointed to the Board of Trustees via Sponsoring Organizations or Advisory Councils:

- **John D. Russell** of Reston, Virginia was appointed to the Board of Trustees by The Appraisal Foundation Advisory Council
- **Jeremy K. Gray** of Provo, Utah was reappointed to the Board of Trustees by the American Bankers Association

Read the full press release on these elections and appointments [here](#).

Collaboration with State Regulators

The highly successful State Investigator Training program is a collaboration of the Association of Appraiser Regulator Officials (AARO), the Appraisal Subcommittee (ASC), and the Foundation. This summer, the Foundation signed a new three-year Memorandum of Understanding to ensure that the well-received program will continue. In 2017, the Foundation continued to offer three Investigator Training courses, one for each of the three levels. Next Spring, the Foundation will welcome its 1,000th participant to the program.

Consumer Affairs and Stakeholder Outreach

The Consumer Affairs and Stakeholder Outreach Committee continues to address consumer issues related to real estate, fair housing, personal property appraisals, and business valuations. The group has taken an active role in the development of [The Huffington Post](#) articles. Earlier this year, the Committee released a new infographic on the [Four D's of Personal Property Appraisal: Death, Disaster, Divorce, and Debt](#). In addition, the Committee is promoting the free homebuyer module: [What Every Homebuyer Should Know about an Appraisal](#). Several free webinars promoting this product occurred this year.

Business Valuation and Personal Property Resource Panels

The Foundation's Business Valuation Resource Panel (BVRP) and Personal Property Resource Panel (PPRP) are charged with providing resources in related topic areas to the Foundation Boards as requested. The following individuals were appointed or reappointed to the panels for terms beginning January 1, 2018:

2018 BVRP Appointments:

- Reappointment of **Cherin Mooradian, Mark Hanson** and **Chris Rosenthal** each to a three-year term
- Appointment of **Andre Pike** to a three-year term
- Appointment of **Mike Binz** as 2018 Chair and **Chris Rosenthal** as 2018 Vice Chair
- **Tom Ryan** will serve as Immediate Past Chair

2018 PPRP Appointments:

- Reappointment of **Roslyn Bakst Goldman** and **Erica Hartman** to a three-year term and **Patricia Graham** and **Greg Miocic** to a two-year term
- Appointment of **Edith Yeomans** as 2018 Chair and **Patricia Graham** as 2018 Vice Chair

Legislative Update

Federal

Since the House Financial Services Subcommittee hearing in November 2016, the Foundation is unaware of any significant action in Congress that could directly impact the Foundation or the ASC. The House Financial Services Committee intends to hold hearings on possible modifications to the structure of Fannie Mae and Freddie Mac that may tangentially address some valuation issues. The Foundation staff will continue to monitor Congressional activities and arrange meetings whenever appropriate.

States

The Appraisal Institute continues to actively promote their position that standards other than USPAP should be allowed for non-federally related transactions. In a recent article the President and Acting CEO of the Appraisal Institute indicated that the organization would be focusing such efforts in California, Texas and Florida. The Institute began this national campaign in January of 2015 and, as of this date, not one state appraiser regulatory agency has adopted valuation standards in lieu of or in addition to USPAP.

Federal Housing Finance Agency

The Federal Housing Finance Agency (FHFA), the regulator for Fannie Mae and Freddie Mac, held an Appraisal Roundtable earlier this Fall. Foundation President, David Bunton, participated on the industry panel. During the session, Mr. Bunton raised the following issues: a suggested review of appraisal forms, better access for appraisers to the extensive residential data collected by Fannie Mae and Freddie Mac, and concern over property inspection waivers.

Valuation Roundtable

In April and September of this year, the Foundation convened a meeting of key valuation stakeholders to discuss trending issues in the appraisal profession. The group, recognizing improvements can be made, overwhelmingly supported the unique structure of the current appraiser regulatory system and the strong partnership that has developed over many years of cooperative effort. They also stressed there is a continued need for one set of professional standards, the *Uniform Standards of Professional Appraisal Practice* (USPAP).

Other topics discussed included the need to develop a uniform process for requests for reconsideration of value. Participants in the Roundtables included:

- American Bankers Association
- Appraisal Subcommittee
- Association of Appraiser Regulatory Officials
- Mortgage Bankers Association
- National Association of Home Builders
- Network of State Appraisal Organizations
- National Association of REALTORS®
- Real Estate Valuation Advocacy Association
- The Appraisal Foundation
- US Veterans Administration
- Representatives from the State Regulatory System and The Appraisal Foundation Sponsoring Organizations

Additional Valuation Roundtables will be held in 2018.

International Relations

The Foundation continues to participate in various international activities that include the International Valuation Standards Council (IVSC), the International Property Measurement Standards Council (IPMSC), and the International Ethics Standards Coalition (IESC).

During the meetings, the Foundation staff made a presentation on the following products:

2018-2019 USPAP Products

All of the 2018-2019 USPAP related products have been updated and are currently available.

Yellow Book (Uniform Appraisal Standards for Federal Land Acquisitions)

In the first quarter of 2017, the Foundation released both print and electronic copies of the *Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA)*, more commonly known as the Yellow Book. Two accompanying courses have also been developed, which are being offered by TAF on a wholesale basis to education providers, much like the USPAP courses.

Webinars

The Foundation is expanding efforts to produce webinars to provide timely information to appraisers. In May, the Foundation offered a free webinar titled *Alternatives to Evaluations: Using Restricted Appraisal Reports in Your Practice* and recently recorded a webinar on the changes to the 2018-2019 edition of USPAP. Fee-based webinars are designed to be under an hour in length and therefore do not qualify for continuing education credit because they do not meet the AQB minimum length of two hours. Visit our website for more information or to view our free recorded webinars.

Courses

The Foundation now offers ten different USPAP courses that vary in length and discipline focus. In addition, four online Corrective Education courses have been released. These training courses cover a range of USPAP compliance issues identified as common trouble spots and are geared toward appraisers who need a deep dive into specialized topics and also for those who want to get their careers back on track. A full listing of all Foundation courses can be found here.

Brochures, Factsheets and Infographics

The following brochures are available for free download or a small fee for a print copy.

- *How to Enter the Appraisal Profession*
- *Why Engage a Professional Appraiser*
- *A Guide to Understanding a Residential Appraisal*
- *Appraisers, Appraisals & You: A Lender's Guide to USPAP*
- *Valuation of Gems and Jewelry*
- *Valuation of Fine and Decorative Art*
- *Valuation of Machinery and Equipment*
- *Foundation Factsheets*
- *Common Myths about Appraisals in the Home Buying Process*
- *Fun Facts for Future Appraisers*
- *The 4 D's in Personal Property Appraisal*
- *The US Real Property Regulatory System: A Unique Partnership 25 Years in the Making*
- *Personal Property Appraisals and You*

Speaking Engagements

Foundation representatives have given presentations at more than thirty events throughout the year. Send us an inquiry if you are interested in a Foundation speaker at your event.

Next Meeting

The next meeting of the Board of Trustees will be held **May 17-19, 2018 in Cleveland, Ohio**. Watch the Foundation's website for details as they become available.

This summary is being provided for your convenience. Any questions can be addressed to Paula Douglas Seidel, Board and Communications Program Manager, at paula@appraisalfoundation.org.

