

FYI

Cover Page

February 13, 2019



**ASC Staff Operating Plan to Advance its Strategic Goals
Fiscal Year 2019**

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 2019 (FY19). 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 | FY19 Operating Plan |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SG 1: Promote Title XI-compliant State Appraiser Programs and AMC 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 |
| | 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 • Update Policy Statements for State Appraiser and AMC Programs as needed |
| | SO 1.3: Issue Compliance Review Reports (Reports) that are: | <ul style="list-style-type: none"> • Conduct 25-30 scheduled Compliance Reviews |

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| SG 1 continued | <p>(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</p> | <ul style="list-style-type: none"> • Conduct Follow-up Reviews and Priority Contact visits as needed • Modify or enhance on-site review process and Reports as needed • Replace Regulatory Affairs Specialist staff position |
| | SO 1.4: Issue timely Reports | <ul style="list-style-type: none"> • Issue final reports within 90 days of on-site review, absent special circumstances |
| SG 2: Carry out Title XI monitoring functions | SO 2.1: Monitor changes in regulatory appraisal standards of the ASC member agencies | <ul style="list-style-type: none"> • Staff to meet annually with member agencies to review any appraisal-related regulations or guidance proposed or adopted by the agency • Provide a written report to ASC members to be included in ASC Annual Report addressing any potential impact on State Programs, credentialed appraisers, AMCs and other stakeholders |
| | SO 2.2: Monitor and review the Appraisal Foundation (Foundation) practices, procedures, activities and organizational structure | <ul style="list-style-type: none"> • Observe meetings of the Foundation Boards • Keep ASC Board apprised of Foundation’s activities • Provide comment/observations to Foundation staff and Boards as appropriate |
| SG 3: Administer Title XI Grant Programs | SO 3.1: Ensure ASC grant funds are used in accordance with Title XI and ASC Policy governing grant funding | <ul style="list-style-type: none"> • Review and make recommendation to the ASC on issuance of grant funds in accordance with ASC policy • Monitor and review use of ASC grant funds to ensure that funds are used in accordance with the approved grant request |

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| | | <ul style="list-style-type: none"> • Conduct an independent review on use of grant funds and report those findings to the ASC and the public |
| | SO 3.2: Implement a more robust State Grant Program | <ul style="list-style-type: none"> • Assess the ASC financial resources to support an increased State grant program • Assess State Appraiser and AMC Program needs • Continue to monitor meetings of the Investigator Training Program Steering Committee • Develop training for States on AMC registration and supervision • Review and comment, as appropriate, on Steering Committee work product and other documents that impact the State Investigator Training Program • Hire a Grant Administrator |
| SG 4: Finalize Implementation of Advisory Committee recommendations | SO 4.1: Implement Dodd-Frank authority granted to the ASC for rulemaking | <ul style="list-style-type: none"> • Complete staff analysis necessary to implement appropriate recommendations of ASC Advisory Committee for Development of Regulations • Report those recommendations to the Board • Prescribe regulations that maintain regulatory flexibility and responsible oversight in accordance with the Administrative Procedures Act |
| | SO 4.2: Implement Advisory Committee recommendations consistent with ASC mission | <ul style="list-style-type: none"> • Finalize review and complete analysis of Advisory Committee Report to the ASC to determine both feasibility and budget implications of recommendations • Determine priority of implementation |

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| | | <ul style="list-style-type: none"> • Institute process, improvements or other methods required for implementation |
| SG 5: Maintain the National Registries (Appraiser Registry and AMC Registry) | SO 5.1: Maintain public and private access to the Appraiser Registry and AMC Registry on the ASC website | <ul style="list-style-type: none"> • Continue working with our technology partners to ensure the National Registries are in a secure, reliable and contemporary environment, and meet minimum Federal government requirements • Process incoming data securely and expeditiously (<i>i.e.</i>, 24 hours) |
| | SO 5.2: Improve the usefulness of the National Registries. | <ul style="list-style-type: none"> • Routinely review the usefulness of the National Registries to the States and other users • Seek input from various users regarding potential enhancements to the National Registries, possibly through web-based solicitation of user feedback • Finalize voluntary State UID implementation or initiate rulemaking |
| SG 6: Prudently manage ASC resources | SO 6.1: Develop and execute properly detailed, analyzed and disciplined annual budgets | <ul style="list-style-type: none"> • Obtain an annual independent audit of the ASC financial statements • Maintain a minimum one-year operating reserve, including grant funds, in the ASC's Treasury account • Routinely update the ASC regarding the agency's financial status |

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|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>SO 6.2: Execute proactive initiatives focused on the retention of employees, including mentoring, employee feedback, employee outreach, incentives, and recognition programs</p> | <ul style="list-style-type: none"> • Ensure supervisors provide staff with mid-year and end-of-year performance reviews • Encourage staff to provide feedback on the work of the agency • Recognize employees for outstanding service and/or commitment to the agency • Provide resources for staff to participate in professional development opportunities, as appropriate • Create appropriate documentation and systems for continuity of operations for use when key personnel depart |
| | <p>SO 6.3: Maintain an effective ethics program.</p> | <ul style="list-style-type: none"> • Maintain appropriate policies and procedures governing the ethics program • Maintain annual ethics training for current employees and new employees • Provide one-on-one consultation with ethics officials when needed • Provide financial disclosures as required by the Office of Government Ethics |

| | | |
|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>SO 6.4: Ensure effective and efficient operations in carrying out Title XI functions</p> | <ul style="list-style-type: none"> • Perform internal reviews on an ongoing basis to evaluate operations and explore means to improve staff operations, particularly in light of the transition to remote duty |
| | <p>SO 6.5: Continue operation of the Hotline in compliance with ASC Policies</p> | <ul style="list-style-type: none"> • Work with technology partners to ensure consistent operation of Hotline website, call center and email • Review the website, call center and email service to identify potential service enhancements • Share complaint information between ASC member agencies on a routine basis and include data in the ASC's Annual Report to Congress |
| <p>Strategic Goal 7: Facilitate Effective and Efficient Valuation Services and Regulation</p> | <p>SO 7.1: Provide a forum for networking of stakeholders.</p> | <ul style="list-style-type: none"> • Create opportunities to bring valuation stakeholders together to improve valuation services for real estate related financial transactions • Engage with valuation stakeholders to facilitate development of the next generation of valuation services • Liaise with domestic and international valuation service providers, regulators and users of valuation services to promote safe and sound valuation services and policies |

2018 Annual Employee Survey Results For Appraisal Subcommittee

1. **Interpretation of Results:** (to be written by agency)
2. **How the survey was conducted:** The survey was conducted online from November 5, 2018, to November 26, 2018.
3. **Description of sample:** All 12 full-time permanent employees of the agency were surveyed.
4. **Survey items and response choices:** See the tables on the following pages.
5. **Number of employees surveyed, number who responded, and representativeness of respondents:** Of the 12 employees surveyed, 10 responded, for a 83% response rate. These respondents are representative of the population.

**2018 Annual Employee Survey Results For
Appraisal Subcommittee**

Surveys Sent: 12

Surveys Returned: 10

Response Rate: 83%

| Prescribed Questions: Personal Work Experiences | | | | | | | | |
|------------------------------------------------------------------------------------|-------------|-----------------------|--------------|----------------|-----------------|--------------------------|--|--------------|
| Item Text | | Strongly Agree | Agree | Neither | Disagree | Strongly Disagree | | Total |
| 1. The people I work with cooperate to get the job done. | Frequencies | 6 | 4 | 0 | 0 | 0 | | 10 |
| | Percentages | 60.0% | 40.0% | 0.0% | 0.0% | 0.0% | | 100.0% |
| 2. I am given a real opportunity to improve my skills in my organization. | Frequencies | 6 | 2 | 2 | 0 | 0 | | 10 |
| | Percentages | 60.0% | 20.0% | 20.0% | 0.0% | 0.0% | | 100.0% |
| 3. My work gives me a feeling of personal accomplishment. | Frequencies | 6 | 4 | 0 | 0 | 0 | | 10 |
| | Percentages | 60.0% | 40.0% | 0.0% | 0.0% | 0.0% | | 100.0% |
| 4. I like the kind of work I do. | Frequencies | 7 | 2 | 1 | 0 | 0 | | 10 |
| | Percentages | 70.0% | 20.0% | 10.0% | 0.0% | 0.0% | | 100.0% |
| 5. I have trust and confidence in my supervisor. | Frequencies | 7 | 1 | 1 | 1 | 0 | | 10 |
| | Percentages | 70.0% | 10.0% | 10.0% | 10.0% | 0.0% | | 100.0% |
| Item Text | | Very Good | Good | Fair | Poor | Very Poor | | Total |
| 6. Overall, how good a job do you feel is being done by your immediate supervisor? | Frequencies | 7 | 2 | 1 | 0 | 0 | | 10 |
| | Percentages | 70.0% | 20.0% | 10.0% | 0.0% | 0.0% | | 100.0% |

**2018 Annual Employee Survey Results For
Appraisal Subcommittee**

Surveys Sent: 12

Surveys Returned: 10

Response Rate: 83%

| Prescribed Questions: Recruitment, Development, & Retention | | | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------|--------------|----------------|-----------------|--------------------------|--------------------|--------------|
| Item Text | | Strongly Agree | Agree | Neither | Disagree | Strongly Disagree | Do Not Know | Total |
| 7. The workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals. | Frequencies | 6 | 3 | 1 | 0 | 0 | 0 | 10 |
| | Percentages | 60.0% | 30.0% | 10.0% | 0.0% | 0.0% | | 100.0% |
| 8. My work unit is able to recruit people with the right skills. | Frequencies | 4 | 3 | 2 | 0 | 0 | 1 | 9 |
| | Percentages | 44.4% | 33.3% | 22.2% | 0.0% | 0.0% | | 100.0% |
| 9. I know how my work relates to the agency's goals and priorities. | Frequencies | 6 | 3 | 1 | 0 | 0 | 0 | 10 |
| | Percentages | 60.0% | 30.0% | 10.0% | 0.0% | 0.0% | | 100.0% |
| 10. The work I do is important. | Frequencies | 5 | 3 | 2 | 0 | 0 | 0 | 10 |
| | Percentages | 50.0% | 30.0% | 20.0% | 0.0% | 0.0% | | 100.0% |
| 11. Physical conditions (for example, noise level, temperature, lighting, cleanliness in the workplace) allow employees to perform their jobs well. | Frequencies | 6 | 3 | 0 | 0 | 0 | 1 | 9 |
| | Percentages | 66.7% | 33.3% | 0.0% | 0.0% | 0.0% | | 100.0% |
| 12. Supervisors in my work unit support employee development. | Frequencies | 7 | 1 | 2 | 0 | 0 | 0 | 10 |
| | Percentages | 70.0% | 10.0% | 20.0% | 0.0% | 0.0% | | 100.0% |
| 13. My talents are used well in the workplace. | Frequencies | 6 | 2 | 2 | 0 | 0 | 0 | 10 |
| | Percentages | 60.0% | 20.0% | 20.0% | 0.0% | 0.0% | | 100.0% |
| 14. My training needs are assessed. | Frequencies | 6 | 2 | 2 | 0 | 0 | 0 | 10 |
| | Percentages | 60.0% | 20.0% | 20.0% | 0.0% | 0.0% | | 100.0% |

**2018 Annual Employee Survey Results For
Appraisal Subcommittee**

Surveys Sent: 12

Surveys Returned: 10

Response Rate: 83%

| Prescribed Questions: Performance Culture | | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------|--------------|----------------|-----------------|--------------------------|--------------------------|--------------|
| Item Text | | Strongly Agree | Agree | Neither | Disagree | Strongly Disagree | Do Not Know | Total |
| 15. Promotions in my work unit are based on merit. | Frequencies | 4 | 2 | 2 | 0 | 0 | 2 | 8 |
| | Percentages | 50.0% | 25.0% | 25.0% | 0.0% | 0.0% | | 100.0% |
| 16. In my work unit, steps are taken to deal with a poor performer who cannot or will not improve. | Frequencies | 4 | 3 | 0 | 0 | 0 | 3 | 7 |
| | Percentages | 57.1% | 42.9% | 0.0% | 0.0% | 0.0% | | 100.0% |
| 17. Creativity and innovation are rewarded. | Frequencies | 4 | 3 | 3 | 0 | 0 | 0 | 10 |
| | Percentages | 40.0% | 30.0% | 30.0% | 0.0% | 0.0% | | 100.0% |
| Item Text | | Strongly Agree | Agree | Neither | Disagree | Strongly Disagree | No Basis to Judge | Total |
| 18. In my most recent performance appraisal, I understood what I had to do to be rated at different performance levels (e.g., Fully Successful, Outstanding). | Frequencies | 6 | 4 | 0 | 0 | 0 | 0 | 10 |
| | Percentages | 60.0% | 40.0% | 0.0% | 0.0% | 0.0% | | 100.0% |
| Item Text | | Strongly Agree | Agree | Neither | Disagree | Strongly Disagree | Do Not Know | Total |
| 19. In my work unit, differences in performance are recognized in a meaningful way. | Frequencies | 4 | 2 | 2 | 0 | 0 | 2 | 8 |
| | Percentages | 50.0% | 25.0% | 25.0% | 0.0% | 0.0% | | 100.0% |
| 20. Pay raises depend on how well employees perform their jobs. | Frequencies | 2 | 5 | 1 | 0 | 0 | 2 | 8 |
| | Percentages | 25.0% | 62.5% | 12.5% | 0.0% | 0.0% | | 100.0% |
| 21. My performance appraisal is a fair reflection of my performance. | Frequencies | 5 | 5 | 0 | 0 | 0 | 0 | 10 |
| | Percentages | 50.0% | 50.0% | 0.0% | 0.0% | 0.0% | | 100.0% |
| 22. Discussions with my supervisor about my performance are worthwhile. | Frequencies | 5 | 4 | 1 | 0 | 0 | 0 | 10 |
| | Percentages | 50.0% | 40.0% | 10.0% | 0.0% | 0.0% | | 100.0% |
| 23. Supervisors work well with employees of different backgrounds. | Frequencies | 4 | 4 | 1 | 0 | 0 | 1 | 9 |
| | Percentages | 44.4% | 44.4% | 11.1% | 0.0% | 0.0% | | 100.0% |
| 24. My supervisor supports my need to balance work and family issues. | Frequencies | 6 | 3 | 1 | 0 | 0 | 0 | 10 |
| | Percentages | 60.0% | 30.0% | 10.0% | 0.0% | 0.0% | | 100.0% |

**2018 Annual Employee Survey Results For
Appraisal Subcommittee**

Surveys Sent: 12

Surveys Returned: 10

Response Rate: 83%

| Prescribed Questions: Leadership | | | | | | | | |
|-------------------------------------------------------------------------------------------------------|-------------|-----------------------|--------------|----------------|-----------------|--------------------------|--------------------|--------------|
| Item Text | | Strongly Agree | Agree | Neither | Disagree | Strongly Disagree | Do Not Know | Total |
| 25. I have a high level of respect for my organization's senior leaders. | Frequencies | 5 | 3 | 1 | 1 | 0 | 0 | 10 |
| | Percentages | 50.0% | 30.0% | 10.0% | 10.0% | 0.0% | | 100.0% |
| 26. In my organization, leaders generate high levels of motivation and commitment in the workforce. | Frequencies | 5 | 2 | 2 | 1 | 0 | 0 | 10 |
| | Percentages | 50.0% | 20.0% | 20.0% | 10.0% | 0.0% | | 100.0% |
| 27. Managers review and evaluate the organization's progress toward meeting its goals and objectives. | Frequencies | 5 | 4 | 0 | 0 | 0 | 1 | 9 |
| | Percentages | 55.6% | 44.4% | 0.0% | 0.0% | 0.0% | | 100.0% |
| 28. Employees are protected from health and safety hazards on the job. | Frequencies | 5 | 2 | 2 | 0 | 0 | 1 | 9 |
| | Percentages | 55.6% | 22.2% | 22.2% | 0.0% | 0.0% | | 100.0% |
| 29. Employees have a feeling of personal empowerment with respect to work processes. | Frequencies | 5 | 2 | 0 | 1 | 0 | 2 | 8 |
| | Percentages | 62.5% | 25.0% | 0.0% | 12.5% | 0.0% | | 100.0% |
| 30. My workload is reasonable. | Frequencies | 4 | 6 | 0 | 0 | 0 | 0 | 10 |
| | Percentages | 40.0% | 60.0% | 0.0% | 0.0% | 0.0% | | 100.0% |
| 31. Managers communicate the goals and priorities of the organization. | Frequencies | 5 | 3 | 2 | 0 | 0 | 0 | 10 |
| | Percentages | 50.0% | 30.0% | 20.0% | 0.0% | 0.0% | | 100.0% |
| 32. My organization has prepared employees for potential security threats. | Frequencies | 4 | 2 | 2 | 1 | 0 | 1 | 9 |
| | Percentages | 44.4% | 22.2% | 22.2% | 11.1% | 0.0% | | 100.0% |

**2018 Annual Employee Survey Results For
Appraisal Subcommittee**

Surveys Sent: 12

Surveys Returned: 10

Response Rate: 83%

| Prescribed Questions: Job Satisfaction | | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------|-------------|-----------------------|------------------|----------------|----------------------|---------------------------|--|--------------|
| Item Text | | Very Satisfied | Satisfied | Neither | Dis-satisfied | Very Dis-satisfied | | Total |
| 33. How satisfied are you with the information you receive from management on what's going on in your organization? | Frequencies | 5 | 2 | 2 | 1 | 0 | | 10 |
| | Percentages | 50.0% | 20.0% | 20.0% | 10.0% | 0.0% | | 100.0% |
| 34. How satisfied are you with your involvement in decisions that affect your work? | Frequencies | 4 | 3 | 2 | 1 | 0 | | 10 |
| | Percentages | 40.0% | 30.0% | 20.0% | 10.0% | 0.0% | | 100.0% |
| 35. How satisfied are you with your opportunity to get a better job in your organization? | Frequencies | 3 | 3 | 4 | 0 | 0 | | 10 |
| | Percentages | 30.0% | 30.0% | 40.0% | 0.0% | 0.0% | | 100.0% |
| 36. How satisfied are you with the recognition you receive for doing a good job? | Frequencies | 5 | 4 | 1 | 0 | 0 | | 10 |
| | Percentages | 50.0% | 40.0% | 10.0% | 0.0% | 0.0% | | 100.0% |
| 37. How satisfied are you with the policies and practices of your senior leaders? | Frequencies | 4 | 4 | 2 | 0 | 0 | | 10 |
| | Percentages | 40.0% | 40.0% | 20.0% | 0.0% | 0.0% | | 100.0% |
| 38. How satisfied are you with the training you receive for your present job? | Frequencies | 5 | 3 | 2 | 0 | 0 | | 10 |
| | Percentages | 50.0% | 30.0% | 20.0% | 0.0% | 0.0% | | 100.0% |
| 39. Considering everything, how satisfied are you with your job? | Frequencies | 7 | 2 | 1 | 0 | 0 | | 10 |
| | Percentages | 70.0% | 20.0% | 10.0% | 0.0% | 0.0% | | 100.0% |
| 40. Considering everything, how satisfied are you with your pay? | Frequencies | 5 | 4 | 1 | 0 | 0 | | 10 |
| | Percentages | 50.0% | 40.0% | 10.0% | 0.0% | 0.0% | | 100.0% |

**2018 Annual Employee Survey Results For
Appraisal Subcommittee**

Surveys Sent: 12

Surveys Returned: 10

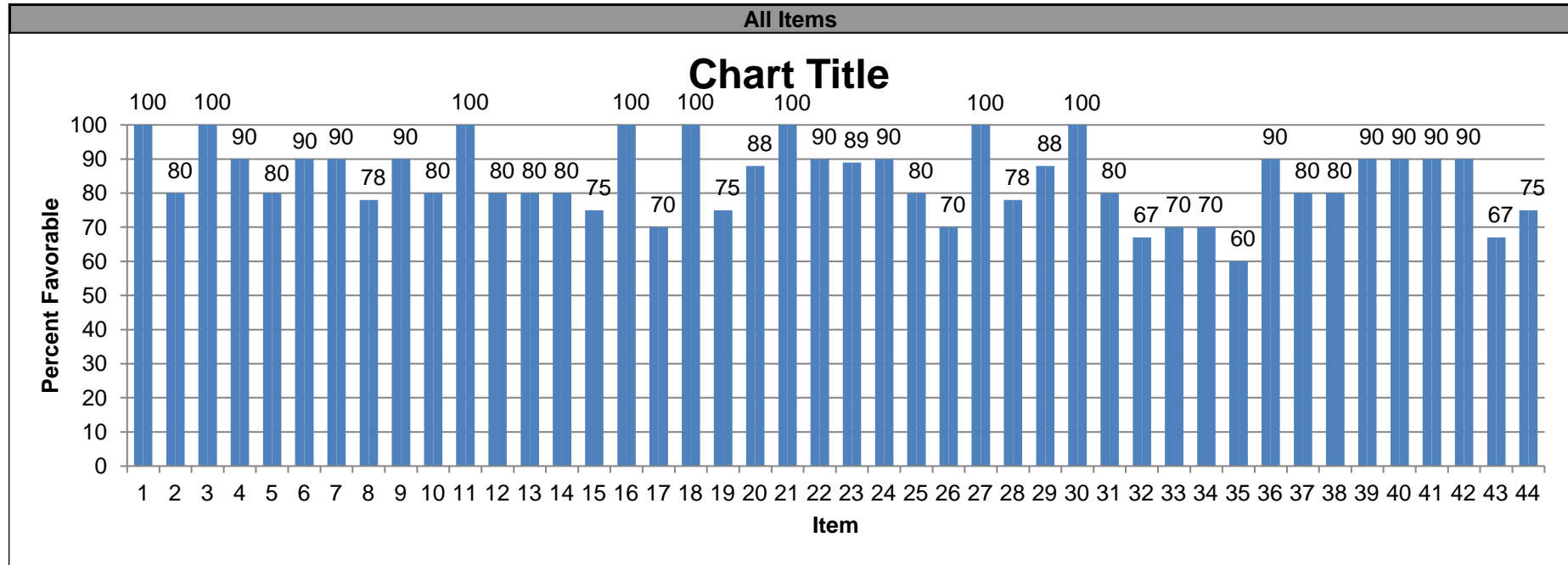
Response Rate: 83%

| Additional Questions | | | | | | | | |
|---------------------------------------------------------------------------------------------------|-------------|-----------------------|------------------|----------------|----------------------|---------------------------|--------------------|--------------|
| Item Text | | Very Satisfied | Satisfied | Neither | Dis-satisfied | Very Dis-satisfied | | Total |
| 41. Considering everything, how satisfied are you with your organization? | Frequencies | 6 | 3 | 1 | 0 | 0 | | 10 |
| | Percentages | 60.0% | 30.0% | 10.0% | 0.0% | 0.0% | | 100.0% |
| Item Text | | Strongly Agree | Agree | Neither | Disagree | Strongly Disagree | Do Not Know | Total |
| 42. I recommend my organization as a good place to work. | Frequencies | 6 | 3 | 1 | 0 | 0 | 0 | 10 |
| | Percentages | 60.0% | 30.0% | 10.0% | 0.0% | 0.0% | | 100.0% |
| 43. I believe the results of this survey will be used to make my agency a better place to work. | Frequencies | 4 | 2 | 2 | 1 | 0 | 1 | 9 |
| | Percentages | 44.4% | 22.2% | 22.2% | 11.1% | 0.0% | | 100.0% |
| 44. I can disclose a suspected violation of any law, rule or regulation without fear or reprisal. | Frequencies | 4 | 2 | 0 | 2 | 0 | 2 | 8 |
| | Percentages | 50.0% | 25.0% | 0.0% | 25.0% | 0.0% | | 100.0% |

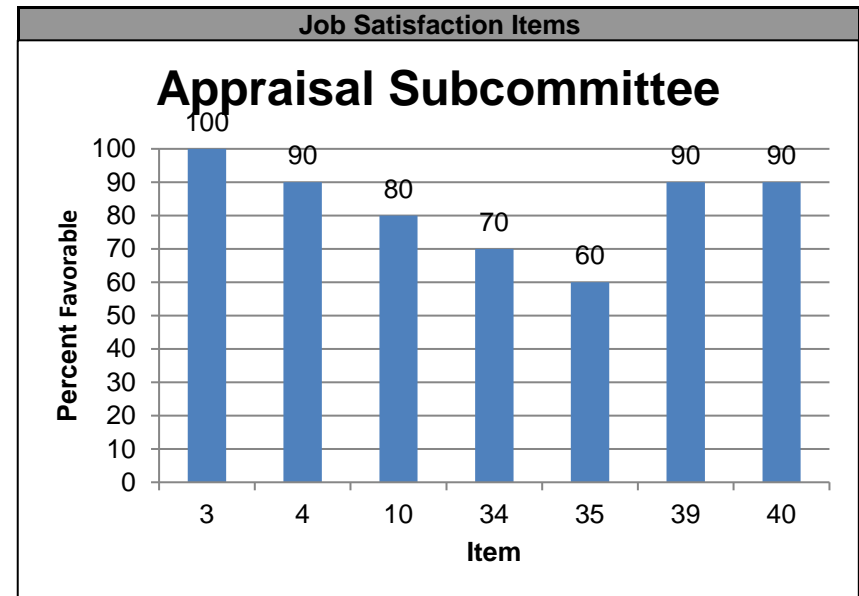
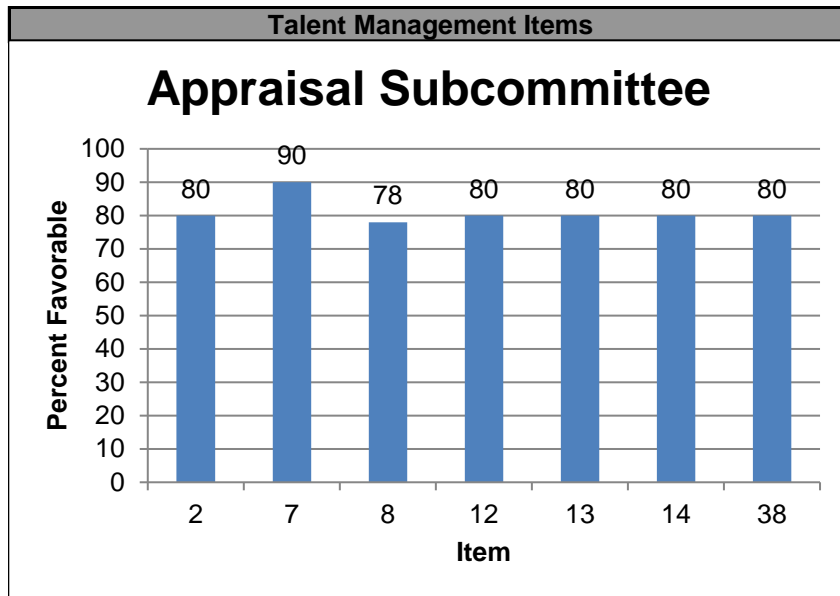
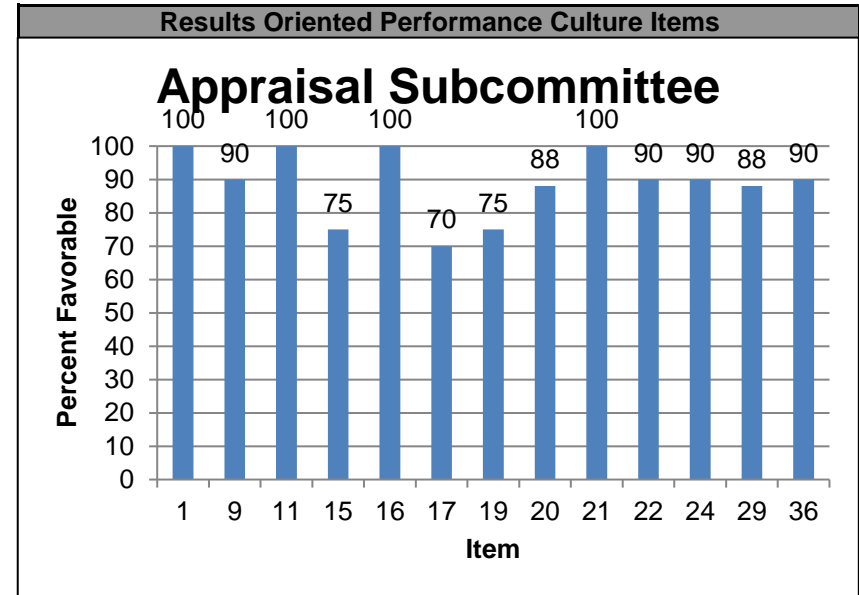
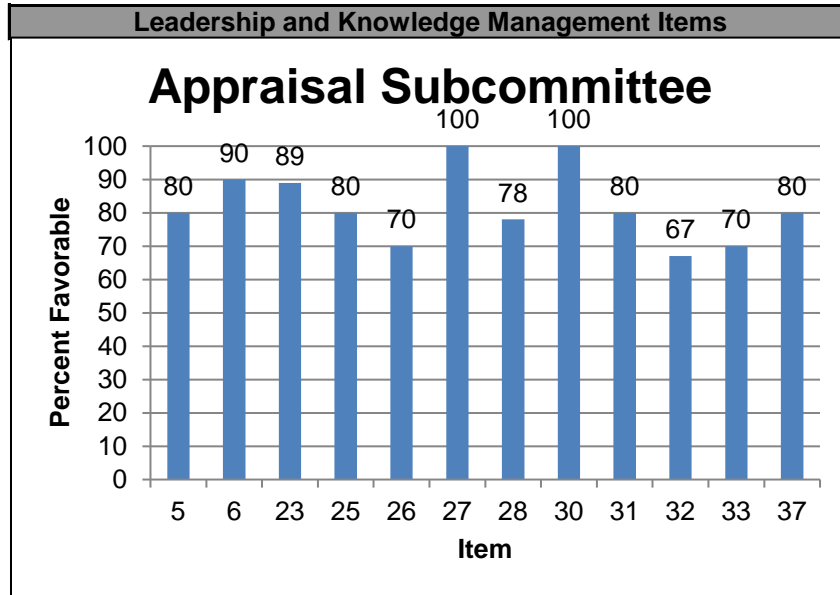
HCAAF Indices

| Index | % Favorable |
|--------------------------------------|--------------------|
| Leadership and Knowledge Management | 82% |
| Results Oriented Performance Culture | 89% |
| Talent Management | 81% |
| Job Satisfaction | 83% |

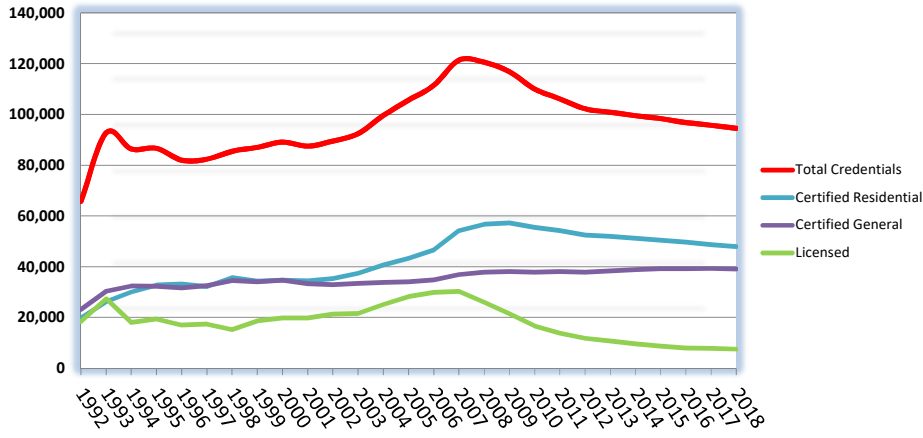
2018 Annual Employee Survey Results For Appraisal Subcommittee



**2018 Annual Employee Survey Results For
Appraisal Subcommittee
Results by HCAAF Index**

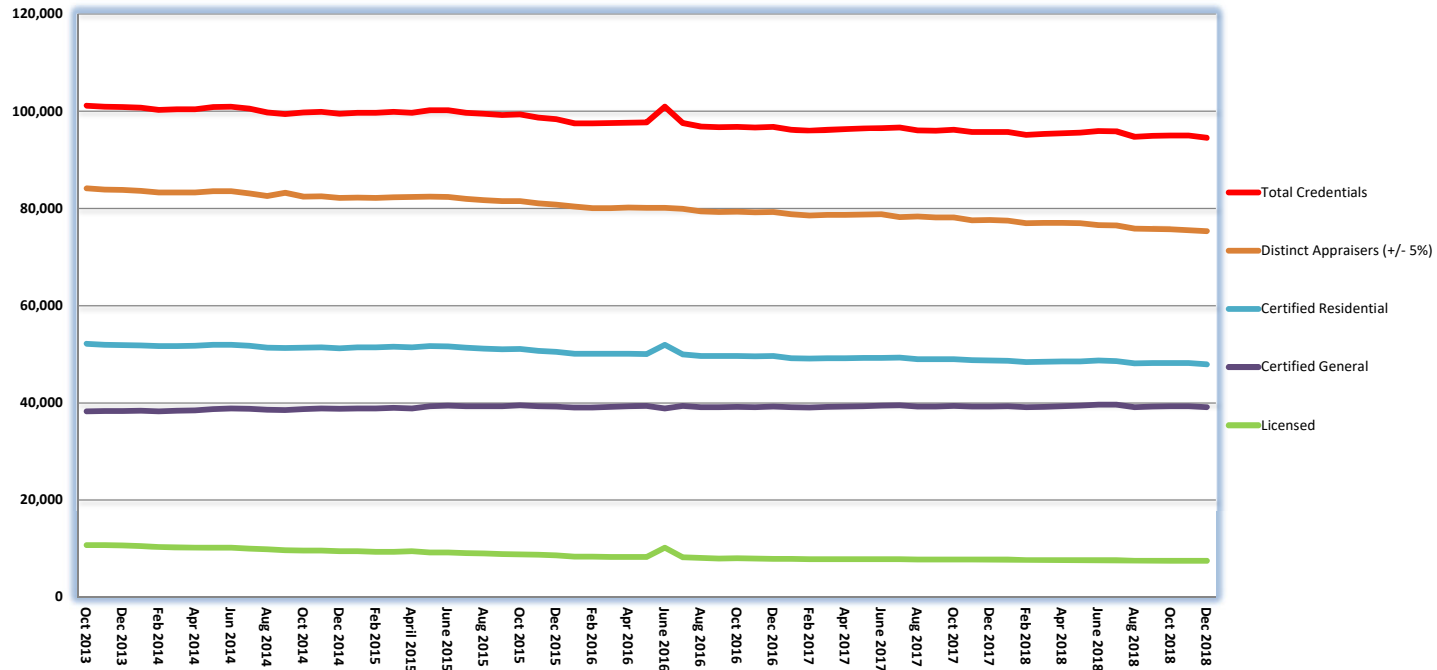


Yearly Appraiser Credential Trends



Monthly Appraisers Credential Trends

As of Dec 31, 2018



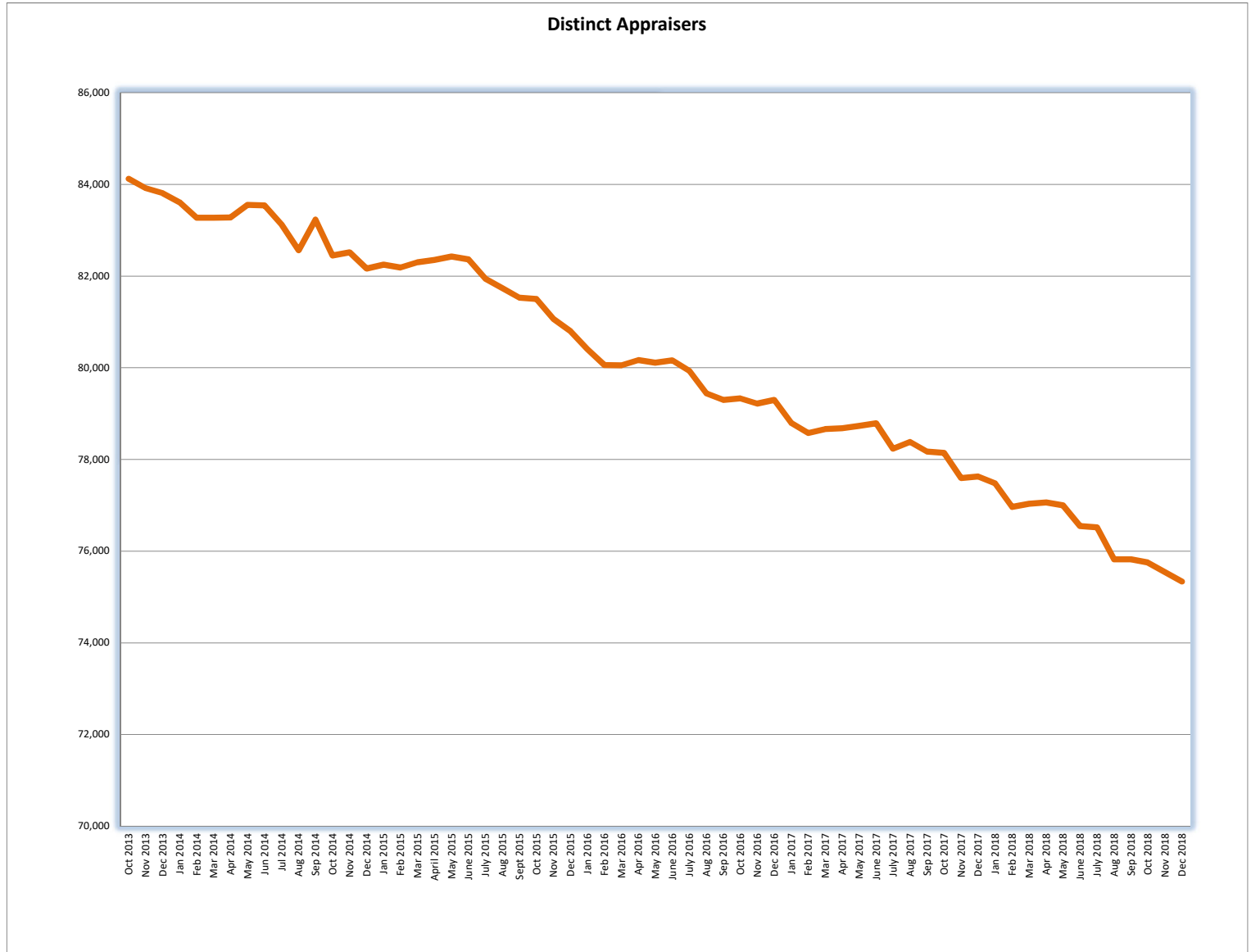
Year-End Appraiser Credentials

| Year-End | Certified General | Certified Residential | Licensed | Transitional | Total Credentials |
|----------|-------------------|-----------------------|----------|--------------|-------------------|
| 1992 | 23,133 | 19,772 | 18,406 | 4,405 | 65,716 |
| 1993 | 30,348 | 26,163 | 27,316 | 8,882 | 92,709 |
| 1994 | 32,450 | 29,949 | 17,960 | 6,043 | 86,402 |
| 1995 | 32,305 | 32,733 | 19,375 | 2,244 | 86,657 |
| 1996 | 31,628 | 33,141 | 16,984 | 226 | 81,979 |
| 1997 | 32,519 | 32,161 | 17,371 | 318 | 82,369 |
| 1998 | 34,485 | 35,697 | 15,287 | 23 | 85,492 |
| 1999 | 34,082 | 34,237 | 18,676 | 24 | 87,019 |
| 2000 | 34,609 | 34,702 | 19,755 | 28 | 89,094 |
| 2001 | 33,246 | 34,401 | 19,837 | 23 | 87,507 |
| 2002 | 32,959 | 35,233 | 21,261 | 37 | 89,490 |
| 2003 | 33,394 | 37,418 | 21,575 | 47 | 92,434 |
| 2004 | 33,725 | 40,726 | 25,095 | 46 | 99,592 |
| 2005 | 34,074 | 43,327 | 28,185 | 52 | 105,638 |
| 2006 | 34,812 | 46,701 | 29,921 | 51 | 111,485 |
| 2007 | 36,881 | 54,177 | 30,286 | 63 | 121,407 |
| 2008 | 37,851 | 56,704 | 25,931 | 65 | 120,551 |
| 2009 | 38,061 | 57,253 | 21,434 | 43 | 116,791 |
| 2010 | 37,807 | 55,522 | 16,674 | 23 | 110,026 |
| 2011 | 38,016 | 54,201 | 13,900 | 13 | 106,130 |
| 2012 | 37,834 | 52,504 | 11,875 | 12 | 102,225 |
| 2013 | 38,332 | 51,893 | 10,648 | 1 | 100,874 |
| 2014 | 38,777 | 51,240 | 9,507 | 0 | 99,524 |
| 2015 | 39,257 | 50,472 | 8,622 | 0 | 98,351 |
| 2016 | 39,246 | 49,631 | 7,926 | 0 | 96,803 |
| 2017 | 39,262 | 48,720 | 7,749 | 0 | 95,731 |
| 2018 | 39,135 | 47,908 | 7,481 | 0 | 94,524 |

Monthly Appraiser Credential Trends

| Date | Certified General | Certified Residential | Licensed | Transitional | Total Credentials | Appraisers (+/- 5%) |
|------------|-------------------|-----------------------|----------|--------------|-------------------|---------------------|
| Oct 2013 | 38,273 | 52,170 | 10,711 | 1 | 101,155 | 84,122 |
| Nov 2013 | 38,298 | 51,971 | 10,703 | 1 | 100,973 | 83,921 |
| Dec 2013 | 38,332 | 51,893 | 10,648 | 1 | 100,874 | 83,809 |
| Jan 2014 | 38,359 | 51,835 | 10,524 | 1 | 100,719 | 83,611 |
| Feb 2014 | 38,239 | 51,669 | 10,349 | 0 | 100,257 | 83,276 |
| Mar 2014 | 38,407 | 51,701 | 10,301 | 0 | 100,409 | 83,274 |
| Apr 2014 | 38,473 | 51,751 | 10,190 | 0 | 100,414 | 83,277 |
| May 2014 | 38,721 | 51,940 | 10,231 | 0 | 100,892 | 83,554 |
| Jun 2014 | 38,818 | 51,936 | 10,202 | 0 | 100,956 | 83,542 |
| Jul 2014 | 38,757 | 51,734 | 10,030 | 0 | 100,521 | 83,125 |
| Aug 2014 | 38,570 | 51,329 | 9,842 | 0 | 99,741 | 82,562 |
| Sep 2014 | 38,526 | 51,278 | 9,650 | 0 | 99,454 | 83,236 |
| Oct 2014 | 38,735 | 51,384 | 9,635 | 0 | 99,754 | 82,449 |
| Nov 2014 | 38,835 | 51,441 | 9,596 | 0 | 99,872 | 82,521 |
| Dec 2014 | 38,777 | 51,240 | 9,507 | 0 | 99,524 | 82,164 |
| Jan 2015 | 38,828 | 51,419 | 9,460 | 0 | 99,707 | 82,249 |
| Feb 2015 | 38,865 | 51,448 | 9,358 | 0 | 99,671 | 82,187 |
| Mar 2015 | 39,012 | 51,538 | 9,342 | 0 | 99,892 | 82,299 |
| April 2015 | 38,828 | 51,419 | 9,460 | 0 | 99,707 | 82,354 |
| May 2015 | 39,315 | 51,680 | 9,249 | 0 | 100,242 | 82,428 |
| June 2015 | 39,435 | 51,617 | 9,195 | 0 | 100,247 | 82,366 |
| July 2015 | 39,290 | 51,335 | 9,101 | 0 | 99,726 | 81,950 |
| Aug 2015 | 39,309 | 51,164 | 9,009 | 0 | 99,482 | 81,740 |
| Sept 2015 | 39,284 | 51,056 | 8,889 | 0 | 99,229 | 81,527 |
| Oct 2015 | 39,480 | 51,085 | 8,833 | 0 | 99,398 | 81,502 |
| Nov 2015 | 39,282 | 50,672 | 8,751 | 0 | 98,705 | 81,069 |
| Dec 2015 | 39,257 | 50,472 | 8,622 | 0 | 98,351 | 80,806 |
| Jan 2016 | 39,032 | 50,105 | 8,378 | 0 | 97,515 | 80,407 |
| Feb 2016 | 39,027 | 50,104 | 8,379 | 0 | 97,510 | 80,062 |
| Mar 2016 | 39,187 | 50,107 | 8,325 | 0 | 97,619 | 80,055 |
| Apr 2016 | 39,288 | 50,097 | 8,294 | 0 | 97,679 | 80,170 |
| May 2016 | 39,352 | 50,072 | 8,277 | 0 | 97,701 | 80,114 |
| June 2016 | 38,818 | 51,936 | 10,202 | 0 | 100,956 | 80,160 |
| July 2016 | 39,394 | 50,010 | 8,196 | 0 | 97,600 | 79,935 |
| Aug 2016 | 39,099 | 49,672 | 8,078 | 0 | 96,849 | 79,441 |
| Sep 2016 | 39,092 | 49,622 | 7,995 | 0 | 96,709 | 79,297 |
| Oct 2016 | 39,201 | 49,622 | 8,001 | 0 | 96,824 | 79,334 |
| Nov 2016 | 39,128 | 49,591 | 7,934 | 0 | 96,653 | 79,219 |
| Dec 2016 | 39,246 | 49,631 | 7,926 | 0 | 96,803 | 79,302 |
| Jan 2017 | 39,119 | 49,210 | 7,899 | 0 | 96,228 | 78,794 |
| Feb 2017 | 39,029 | 49,131 | 7,842 | 0 | 96,002 | 78,577 |
| Mar 2017 | 39,196 | 49,173 | 7,851 | 0 | 96,220 | 78,663 |
| Apr 2017 | 39,256 | 49,214 | 7,854 | 0 | 96,324 | 78,683 |
| May 2017 | 39,333 | 49,265 | 7,852 | 0 | 96,450 | 78,732 |
| June 2017 | 39,429 | 49,259 | 7,855 | 0 | 96,543 | 78,789 |
| July 2017 | 39,513 | 49,309 | 7,833 | 0 | 96,655 | 78,235 |
| Aug 2017 | 39,265 | 48,994 | 7,793 | 0 | 96,052 | 78,386 |
| Sep 2017 | 39,241 | 49,005 | 7,759 | 0 | 96,005 | 78,174 |
| Oct 2017 | 39,404 | 49,022 | 7,778 | 0 | 96,204 | 78,142 |
| Nov 2017 | 39,229 | 48,763 | 7,757 | 0 | 95,749 | 77,596 |
| Dec 2017 | 39,262 | 48,720 | 7,749 | 0 | 95,731 | 77,629 |
| Jan 2018 | 39,316 | 48,689 | 7,744 | 0 | 95,749 | 77,478 |
| Feb 2018 | 39,087 | 48,420 | 7,635 | 0 | 95,142 | 76,968 |
| Mar 2018 | 39,190 | 48,492 | 7,644 | 0 | 95,326 | 77,034 |
| Apr 2018 | 39,310 | 48,530 | 7,628 | 0 | 95,468 | 77,066 |
| May 2018 | 39,418 | 48,556 | 7,637 | 0 | 95,611 | 77,002 |
| June 2018 | 39,627 | 48,700 | 7,638 | 0 | 95,965 | 76,551 |
| July 2018 | 39,623 | 48,603 | 7,643 | 0 | 95,869 | 76,519 |
| Aug 2018 | 39,126 | 48,126 | 7,529 | 0 | 94,781 | 75,825 |
| Sep 2018 | 39,246 | 48,195 | 7,518 | 0 | 94,959 | 75,822 |
| Oct 2018 | 39,300 | 48,219 | 7,514 | 0 | 95,033 | 75,751 |
| Nov 2018 | 39,302 | 48,217 | 7,503 | 0 | 95,022 | 75,548 |
| Dec 2018 | 39,135 | 47,908 | 7,481 | 0 | 94,524 | 75,339 |

| State or Territory | Number of Distinct Active Appraisers Dec 31, 2018 (+/- 5%) |
|-----------------------------------|------------------------------------------------------------|
| Alabama | 1275 |
| Alaska | 229 |
| Arizona | 2055 |
| Arkansas | 838 |
| California | 9669 |
| Colorado | 2619 |
| Connecticut | 1239 |
| Delaware | 541 |
| District Of Columbia | 722 |
| Florida | 6476 |
| Georgia | 3288 |
| Guam | 19 |
| Hawaii | 478 |
| Idaho | 721 |
| Illinois | 3649 |
| Indiana | 2062 |
| Iowa | 1091 |
| Kansas | 1022 |
| Kentucky | 1391 |
| Louisiana | 1322 |
| Maine | 571 |
| Maryland | 2215 |
| Massachusetts | 1961 |
| Michigan | 2617 |
| Minnesota | 1899 |
| Mississippi | 985 |
| Missouri | 1884 |
| Montana | 421 |
| Nebraska | 673 |
| Nevada | 978 |
| New Hampshire | 713 |
| New Jersey | 2622 |
| New Mexico | 593 |
| New York | 3753 |
| North Carolina | 3002 |
| North Dakota | 308 |
| Northern Mariana Islands | 3 |
| Ohio | 2874 |
| Oklahoma | 1022 |
| Oregon | 1461 |
| Pennsylvania | 3232 |
| Puerto Rico | 338 |
| Rhode Island | 434 |
| South Carolina | 2013 |
| South Dakota | 364 |
| Tennessee | 1936 |
| Texas | 5235 |
| Utah | 1213 |
| Vermont | 265 |
| Virgin Islands | 29 |
| Virginia | 3316 |
| Washington | 2617 |
| West Virginia | 566 |
| Wisconsin | 1886 |
| Wyoming | 305 |
| All States and Territories | 75339 |



State Program Summary Report

| State or Territory | AL | | AK | | AZ | | AR | | CA | | CO | | CT | | DE | | DC | | FL | | GA | | GU | | HI | |
|-------------------------------------------------|-------------|----------------|--------------|-------------|--------------|--------------|-------------|-------------|-------------|-------------|------------------|------------------|-------------|----|------|----|------|----|-------|----|------|----|------|----|-------|----|
| Review Year | 2018 | | 2017 | | 2018 | | 2018 | | 2018 | | 2018 | | 2018 | | 2017 | | 2017 | | 2017 | | 2018 | | 2015 | | 2017 | |
| Review Month | Jan | | Jul | | Jun | | Mar | | Oct | | Aug | | Jun | | Jan | | Apr | | Feb | | Mar | | Nov | | Dec | |
| ASC Finding | Good | | Good | | Excel | | Good | | Excel | | Good | | Excel | | Good | | Good | | Excel | | Good | | Good | | Excel | |
| Review Cycle Assigned (in years) | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | |
| Required State Actions or Off Site Monitoring | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Follow-Up (in months) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Out of Compliance (OC) Area of Concern (AC) | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC |
| Statutes, Regulations, Policies and Procedures: | | 1 | | 1 | | | 1 | | | | | | | | | | | | | | | | 2 | 1 | | |
| Temporary Practice: | 1 | | | | | | | | | | | | | | 1 | | | | | | | | | | | |
| National Registry: | | 1 | | 1 | | | | 1 | | | | | | | | | | | 1 | | | | | | | |
| Application Process: | | | | | | | | | | | | | | | | | 1 | | | | | | | 1 | | |
| Reciprocity: | | | | | | | | | | | | | | | | | | | | | | | | 1 | | |
| Education: | | | | | | | 1 | | | | | | | | | | | | | | | | | | | |
| Enforcement | | | | | | | | | | 1 | | | | | | | | | | | | | | 1 | | |
| TOTAL OUT OF COMPLIANCE | 1 | | - | | - | | 1 | | - | | - | | - | | - | | - | | - | | - | | 2 | | - | |
| TOTAL AREA OF CONCERN | 2 | | 2 | | - | | 2 | | - | | 1 | | - | | 1 | | 1 | | - | | 1 | | 4 | | - | |
| Last Review Finding | Good (2016) | Good (2015) | Excel (2016) | Good (2016) | Excel (2016) | Excel (2016) | Good (2016) | Good (2015) | Good (2015) | Good (2015) | Excel (2016) | Needs Imp (2013) | Good (2015) | | | | | | | | | | | | | |
| Previous Review Finding | Good (2014) | Not Sat (2014) | Excel (2014) | Good (2014) | Good (2014) | Excel (2014) | Good (2014) | NISC (2013) | NISC (2013) | ISC (2013) | Needs Imp (2014) | ISC (2007) | Good (2013) | | | | | | | | | | | | | |
| FTE | 5.6 | 0.57 | 4.28 | 3 | 23 | 9.6 | 1.75 | 0.5 | 1.5 | 9 | 5.8 | 0.14 | 0.75 | | | | | | | | | | | | | |
| Independent or Under Umbrella (I/UU) | I | UU | UU | I | UU | UU | UU | UU | UU | UU | I | UU | UU | | | | | | | | | | | | | |
| Board | Yes | Yes | No | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | | | | | | | | | | | | | |
| # Credentials on National Registry | 1,369 | 239 | 1,349 | 1,369 | 10,340 | 2,553 | 1,314 | 564 | 727 | 6,024 | 3,354 | 21 | 572 | | | | | | | | | | | | | |
| # Trainees | 86 | 10 | 173 | 86 | 738 | n/a | 58 | 43 | 49 | 431 | 103 | 3 | 23 | | | | | | | | | | | | | |
| Complaints Received in Review Cycle | 107 | 15 | 225 | 107 | 583 | 274 | 60 | 24 | 19 | 364 | 247 | 0 | 14 | | | | | | | | | | | | | |
| Complaints Outstanding | 28 | 2 | 45 | 28 | 134 | 95 | 8 | 9 | 2 | 78 | 50 | 0 | 5 | | | | | | | | | | | | | |
| Complaints Outstanding Over 1 Year (No SDC) | 0 | 0 | 0 | 0 | 0 | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | |
| Special Documented Circumstances (SDC) | 6 | 0 | 0 | 6 | 11 | 0 | 0 | 1 | 0 | 2 | 2 | 0 | 0 | | | | | | | | | | | | | |
| AMC Laws and Regulations | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | Pending | | | | | | | | | | | | | |

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

State Program Summary Report

| State or Territory | ID | IL | IN | IA | KS | KY | LA | ME | CNMI | MD | MA | MI | MN |
|-------------------------------------------------|-------------|------------------|------------------|--------------|--------------|--------------|-------------|--------------|------------------|-------------|------------------|-------------|-------------|
| Review Year | 2017 | 2017 | 2017 | 2017 | 2017 | 2017 | 2018 | 2017 | 2015 | 2018 | 2018 | 2018 | 2018 |
| Review Month | Apr | Nov | Jan | Jul | Oct | Mar | Apr | May | Nov | Apr | May | Sep | Sep |
| ASC Finding | Excel | Needs Imp | Good | Excel | Excel | Excel | Excel | Good | Needs Imp | Excel | Needs Imp | Needs Imp | 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) | | | | | | | | | | | 6 | | |
| Out of Compliance (OC) Area of Concern (AC) | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC |
| Statutes, Regulations, Policies and Procedures: | | | 2 | | 1 | | | | 1 | | 2 | | |
| Temporary Practice: | | | | | | | | | | | | | 1 |
| National Registry: | | | 3 | | | | | | | | | | 1 |
| Application Process: | | | 1 | 1 | | | | | | 1 | | 2 | 1 |
| Reciprocity: | | | | | | | | | | | | | |
| Education: | | | | 1 | | | | | | | | | 1 |
| Enforcement | | | 1 | | | | | | | 1 | | 2 | 1 |
| TOTAL OUT OF COMPLIANCE | - | | 5 | | - | | - | | - | 1 | | 2 | |
| TOTAL AREA OF CONCERN | - | | 4 | | 1 | | - | | - | - | | 2 | |
| Last Review Finding | Good (2015) | Needs Imp (2013) | Needs Imp (2015) | Excel (2015) | Excel (2015) | Excel (2015) | Good (2016) | Good (2015) | Needs Imp (2013) | Good (2016) | Needs Imp (2016) | Good (2016) | Good (2016) |
| Previous Review Finding | NISC (2013) | Needs Imp (2013) | ISC (2013) | Excel (2013) | Excel (2013) | ISC (2013) | Good (2014) | Excel (2013) | ISC (2007) | Good (2014) | Needs Imp (2014) | Good (2014) | Good (2014) |
| FTE | 0.1 | 3.6 | 3.1 | 0.95 | 2 | 2.2 | 3 | 0.57 | 0.3 | 3.5 | 2.75 | 1.56 | 2.18 |
| Independent or Under Umbrella (I/UU) | UU | UU | UU | UU | 1 | UU | UU | UU | UU | UU | UU | UU | UU |
| Board | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| # Credentials on National Registry | 699 | 3,871 | 2,094 | 1,111 | 981 | 1,399 | 1,313 | 557 | 9 | 2,200 | 2,045 | 2,526 | 1,946 |
| # Trainees | 35 | 442 | 113 | 95 | 13 | 184 | 216 | 27 | 0 | 195 | 74 | 439 | 542 |
| Complaints Received in Review Cycle | 46 | 416 | 106 | 92 | 28 | 42 | 49 | 67 | 0 | 100 | 74 | 130 | 170 |
| Complaints Outstanding | 13 | 71 | 37 | 12 | 4 | 17 | 9 | 13 | 0 | 12 | 29 | 51 | 25 |
| Complaints Outstanding Over 1 Year (No SDC) | 2 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 10 | 0 |
| Special Documented Circumstances (SDC) | 0 | 17 | 3 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 6 | 7 | 4 |
| AMC Laws and Regulations | No | Yes | Yes | Pending | Yes | Yes | Yes | No | No | Yes | Pending | Yes | Yes |

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

State Program Summary Report

| State or Territory | MS | | MO | | MT | | NE | | NV | | NH | | NJ | | NM | | NY | | NC | | ND | | OH | |
|-------------------------------------------------|------------------|----|--------------|----|------------------|----|-------------|----|--------------|----|--------------|----|------------------|----|-------------|----|------------------|----|--------------|----|--------------|----|--------------|----|
| Review Year | 2017 | | 2018 | | 2017 | | 2017 | | 2018 | | 2017 | | 2016 | | 2017 | | 2017 | | 2018 | | 2018 | | 2017 | |
| Review Month | May | | Jun | | Sep | | Mar | | June | | May | | Sep | | Apr | | Sep | | Nov | | Jun | | Aug | |
| ASC Finding | Excel | | Good | | Good | | Good | | Good | | Excel | | Needs Imp | | Needs Imp | | Good | | Excel | | Excel | | Excel | |
| Review Cycle Assigned (in years) | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | |
| Required State Actions or Off Site Monitoring | | | | | | | | | | | | | Yes | | Yes | | | | | | | | | |
| Follow-Up (in months) | | | | | | | | | | | | | | | 10 | | | | | | | | | |
| Out of Compliance (OC) Area of Concern (AC) | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC |
| Statutes, Regulations, Policies and Procedures: | | | | 1 | | | | 1 | | | | | 1 | 1 | | 2 | | | | | | | | |
| Temporary Practice: | | | | | | | | 1 | | | | | | | | | | | | | | | | |
| National Registry: | | | | | 1 | | | | 2 | | | | 1 | 1 | | | | 2 | | | | | | |
| Application Process: | | | | | | | | | | | | | 1 | | 1 | | | | | | | | | |
| Reciprocity: | | | | | | | | | | | | | | | | | | | | | | | | |
| Education: | | | | | | | | | | | | | | | | | | | | | | | | |
| Enforcement | | | | | | | | | 1 | | | | | | 4 | | | | | | | | | |
| TOTAL OUT OF COMPLIANCE | | - | | - | | - | | - | | - | | - | | 2 | | 5 | | - | | - | | - | | - |
| TOTAL AREA OF CONCERN | | - | | 1 | | 1 | | 2 | | 3 | | - | | 2 | | 2 | | 2 | | - | | - | | - |
| Last Review Finding | Needs Imp (2015) | | Excel (2016) | | Good (2015) | | Good (2015) | | Excel (2016) | | Excel (2015) | | Needs Imp (2014) | | Good (2015) | | Needs Imp (2015) | | Excel (2016) | | Excel (2016) | | Excel (2015) | |
| Previous Review Finding | ISC (2013) | | Good (2014) | | Needs Imp (2013) | | Good (2013) | | Good (2014) | | Good (2013) | | NISC (2012) | | Good (2013) | | Needs Imp (2013) | | Excel (2014) | | Good (2014) | | Good (2013) | |
| FTE | 4.8 | | 2 | | 3.8 | | 3 | | 2.4 | | 1.8 | | 4.5 | | 3.95 | | 3.8 | | 5.5 | | 1.4 | | 5.5 | |
| Independent or Under Umbrella (I/UU) | UU | | UU | | UU | | I | | UU | | UU | | UU | | UU | | UU | | I | | I | | UU | |
| Board | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | |
| # Credentials on National Registry | 1,066 | | 2,045 | | 382 | | 646 | | 967 | | 733 | | 2,651 | | 641 | | 3,804 | | 2,976 | | 297 | | 2,944 | |
| # Trainees | 31 | | 74 | | 27 | | 49 | | 87 | | 13 | | 57 | | 71 | | 446 | | 429 | | 34 | | 296 | |
| Complaints Received in Review Cycle | 66 | | 77 | | 36 | | 28 | | 61 | | 34 | | 88 | | 46 | | 153 | | 151 | | 23 | | 145 | |
| Complaints Outstanding | 10 | | 15 | | 6 | | 4 | | 37 | | 4 | | 26 | | 31 | | 31 | | 33 | | 11 | | 42 | |
| Complaints Outstanding Over 1 Year (No SDC) | 0 | | 0 | | 0 | | 1 | | 5 | | 0 | | 0 | | 8 | | 0 | | 0 | | 0 | | 0 | |
| Special Documented Circumstances (SDC) | 2 | | 0 | | 0 | | 3 | | 1 | | 0 | | 8 | | 3 | | 5 | | 1 | | 6 | | 0 | |
| AMC Laws and Regulations | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | No | | Yes | | No | | Yes | | Yes | | No | |

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

State Program Summary Report

| State or Territory | OK | | OR | | PA | | PR | | RI | | SC | | SD | | TN | | TX | | UT | | VT | | VI | |
|-------------------------------------------------|--------------|--------------|------------------|-----|------------|------------------|------------|------------------|--------------|--------------|--------------|-------------|------------------|----|------------------|----|------|----|------|----|-----------|----|-----------|----|
| Review Year | 2017 | | 2018 | | 2018 | | 2015 | | 2017 | | 2017 | | 2018 | | 2017 | | 2018 | | 2017 | | 2018 | | 2016 | |
| Review Month | Sep | | Jul | | May | | Dec | | Oct | | Feb | | Aug | | Jan | | Feb | | Jul | | Aug | | Nov | |
| ASC Finding | Excel | | Needs Imp | | Needs Imp | | Good | | Excel | | Excel | | Good | | Good | | Good | | Good | | Needs Imp | | Needs Imp | |
| Review Cycle Assigned (in years) | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | |
| Required State Actions or Off Site Monitoring | | | Yes | | | | | | | | | | | | | | | | | | Yes | | 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 | 2 | | 1 | | 1 | | | | | | | 1 | | | | | 1 | | | 2 | 1 |
| Temporary Practice: | | | | | | | | | | | | | | | | | | | | | 1 | | | |
| National Registry: | | | | | 1 | | | | | | | | 1 | | 1 | | | 2 | | | | | 1 | |
| Application Process: | | | | | | | 1 | | | | | | | | 1 | | | | | | | | | |
| Reciprocity: | | | | | | | | | | | | | | | | | | | | | | | | 1 |
| Education: | | | | | | | | | | | | | | | | | | | | | | | | |
| Enforcement | | | 1 | | 1 | | | | | | 1 | | | | | | | | | 1 | 2 | | | |
| TOTAL OUT OF COMPLIANCE | - | | 2 | | 1 | | - | | - | | - | | - | | 1 | | - | | - | | 3 | | 3 | |
| TOTAL AREA OF CONCERN | - | | 2 | | 2 | | 2 | | - | | 1 | | 1 | | 2 | | 2 | | 2 | | - | | 2 | |
| Last Review Finding | Good (2015) | Excel (2016) | Needs Imp (2016) | | Good(2013) | Needs Imp (2015) | | Needs Imp (2015) | Excel (2016) | Excel (2015) | Excel (2016) | Good (2015) | Needs Imp (2016) | | Needs Imp (2014) | | | | | | | | | |
| Previous Review Finding | Excel (2013) | Good (2014) | Needs Imp (2014) | | ISC (2012) | Good (2013) | ISC (2013) | Good (2014) | ISC (2013) | Good (2014) | NISC (2013) | Good (2014) | NISC (2012) | | | | | | | | | | | |
| FTE | 3.75 | 5.2 | 2.85 | 0.2 | 1.7 | 3.1 | 2 | 1.5 | 13.5 | 3.41 | 0.71 | 1 | | | | | | | | | | | | |
| Independent or Under Umbrella (I/UU) | UU | I | UU | UU | UU | UU | UU | UU | I | UU | UU | UU | | | | | | | | | | | | |
| Board | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | | | | | | | | | | | | |
| # Credentials on National Registry | 997 | 1,487 | 3,158 | 382 | 439 | 1,991 | 377 | 1,950 | 5,256 | 1,206 | 264 | 27 | | | | | | | | | | | | |
| # Trainees | 77 | 126 | 359 | n/a | 145 | 156 | 61 | 225 | 999 | 103 | 16 | n/a | | | | | | | | | | | | |
| Complaints Received in Review Cycle | 87 | 76 | 208 | 9 | 4 | 221 | 16 | 124 | 330 | 103 | 10 | 1 | | | | | | | | | | | | |
| Complaints Outstanding | 43 | 66 | 70 | 3 | 0 | 47 | 4 | 31 | 65 | 36 | 13 | 0 | | | | | | | | | | | | |
| Complaints Outstanding Over 1 Year (No SDC) | 0 | 31 | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 0 | | | | | | | | | | | | |
| Special Documented Circumstances (SDC) | 2 | 5 | 11 | 0 | 0 | 1 | 0 | 3 | 6 | 15 | 0 | 0 | | | | | | | | | | | | |
| AMC Laws and Regulations | Yes | Yes | Yes | No | Pending | No | Yes | Yes | Yes | Yes | Yes | No | | | | | | | | | | | | |

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

State Program Summary Report

| State or Territory | VA | | WA | | WV | | WI | | WY | | | |
|-------------------------------------------------|------------------|----|--------------|----|------------------|----|------------------|----|-------------|----|-------------|----------|
| Review Year | 2017 | | 2018 | | 2016 | | 2017 | | 2017 | | # Excel | 20 |
| Review Month | Aug | | Aug | | Dec | | Jun | | Aug | | # Good | 24 |
| ASC Finding | Good | | Excel | | Good | | Needs Imp | | Good | | # Needs Imp | 11 |
| Review Cycle Assigned (in years) | 2 | | 2 | | 2 | | 2 | | 2 | | # Not Sat | 0 |
| Required State Actions or Off Site Monitoring | | | | | | | Yes | | | | # Poor | 0 |
| Follow-Up (in months) | | | | | | | 12 | | | | | |
| Out of Compliance (OC) Area of Concern (AC) | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC TOTAL | AC TOTAL |
| Statutes, Regulations, Policies and Procedures: | | | | | | 1 | | 2 | | 2 | 11 | 23 |
| Temporary Practice: | | | | | | | | | | | 3 | 3 |
| National Registry: | | | | | | 1 | | 1 | | | 4 | 21 |
| Application Process: | | | | | | | 2 | | | | 10 | 7 |
| Reciprocity: | | | | | | | | | | | 0 | 2 |
| Education: | | | | | | | | | | | 1 | 2 |
| Enforcement | | 1 | | | 2 | | | 1 | | | 13 | 9 |
| TOTAL OUT OF COMPLIANCE | | - | | - | | 2 | | 2 | | - | 42 | |
| TOTAL AREA OF CONCERN | | 1 | | - | | 2 | | 4 | | 2 | | 67 |
| Last Review Finding | Needs Imp (2015) | | Excel (2016) | | Needs Imp (2015) | | Good (2015) | | Good (2015) | | | |
| Previous Review Finding | ISC (2013) | | Excel (2014) | | NISC (2012) | | Needs Imp (2013) | | Good (2013) | | | |
| FTE | 1.8 | | 4.5 | | 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 | | 2,616 | | 572 | | 1,897 | | 316 | | | |
| # Trainees | 107 | | 363 | | 26 | | n/a | | 81 | | | |
| Complaints Received in Review Cycle | 182 | | 204 | | 27 | | 114 | | 19 | | | |
| Complaints Outstanding | 34 | | 25 | | 4 | | 24 | | 3 | | | |
| Complaints Outstanding Over 1 Year (No SDC) | 0 | | 0 | | 0 | | 2 | | 0 | | | |
| Special Documented Circumstances (SDC) | 0 | | 4 | | 0 | | 2 | | 0 | | | |
| AMC Laws and Regulations | Yes | | Yes | | Yes | | No | | Yes | | | |

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

■ ■ ■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

October 31, 2018

Mr. Robert Charlton, Superintendent
Arizona Department of Financial Institutions
100 North 15th Avenue, Suite 261
Phoenix, AZ 85007

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

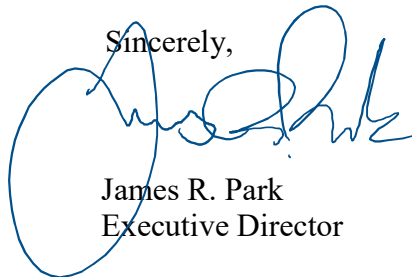
Dear Mr. Charlton:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Arizona appraiser regulatory program (Appraiser Program) on August 28-30, 2018, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program has been awarded an ASC Finding of "Excellent." Arizona will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) of the Arizona Appraiser Program 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. Mark Murphy, Division Manager, Licensing and Consumer Affairs
Ms. Tammy Seto, Division Manager, Financial Services

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 State Appraiser Program Compliance Review Report

ASC Finding: Excellent
 Final Report Issue Date: October 31, 2018

| | | | |
|------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------|----------------------------------------|
| Arizona Appraiser Regulatory Program (State) | | | |
| State Board Title (Board): N/A | PM: V. Metcalf | ASC Compliance Review Date: August 28-30, 2018 | Review Period: June 2016 - August 2018 |
| Umbrella Agency: Licensing and Consumer Affairs Division, Department of Financial Institutions | | Number of State Credentialed Appraisers on National Registry: 2,049 | 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

January 17, 2019

Mr. James S. Martin, Bureau Chief
Bureau of Real Estate Appraisers
1102 Q Street, Suite 4100
Sacramento, CA 95811

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

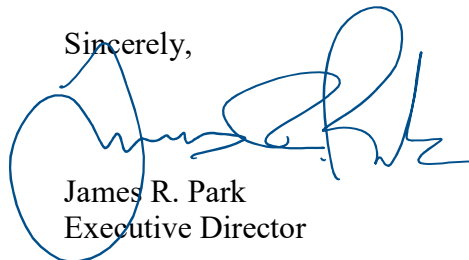
Dear Mr. Martin:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the California appraiser regulatory program (Appraiser Program) on October 2-5, 2018, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program has been awarded an ASC Finding of "Excellent." California will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) of the California Appraiser Program 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. Aaron Klinger, Deputy Bureau Chief, Enforcement
Ms. Loretta Dillon, Deputy Bureau Chief

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 State Appraiser Program Compliance Review Report

ASC Finding: Excellent
 Final Report Issue Date: January 17, 2019

California Appraiser Regulatory Program (State)

| | | | |
|-------------------------------------------------------------------------------------------------|--------------------|----------------------------------------------------------------------|---------------------------------------------|
| State Board Title (Board) N/A | PM: N. Fenochietti | ASC Compliance Review Date: October 2-5, 2018 | Review Period: October 2016 to October 2018 |
| Umbrella Agency: Department of Consumer Affairs, Bureau of Real Estate Appraisers / Independent | | Number of State Credentialed Appraisers on National Registry: 10,340 | 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

December 3, 2018

Ms. Marcia Waters, Division Director
Division of Real Estate
Board of Real Estate Appraisers
Colorado Department of Regulatory Agencies
1560 Broadway, Suite 925
Denver, CO 80202-5111

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

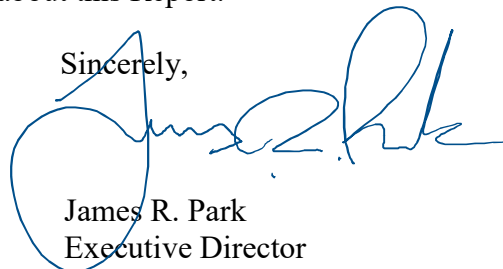
Dear Ms. Waters:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Colorado appraiser regulatory program (Appraiser Program) on August 28-30, 2018, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

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

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 State Appraiser Program Compliance Review Report

ASC Finding: Good
Final Report Issue Date: December 3, 2018

Colorado Appraiser Regulatory Program (State)

Board of Real Estate Appraisers (Board) PM: K. Klamet ASC Compliance Review Date: August 28-30, 2018 Review Period: August 2016 - August 2018
Umbrella Agency: Department of Regulatory Agencies, Division of Real Estate Number of State Credentialed Appraisers on National Registry: 2,557 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 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 95 outstanding complaints of which 11 were unresolved for more than 1 year and none were unresolved for more than 2 years without the exemption for special documented circumstances. | On October 31, 2018, the State reported that 8 of the 11 aged complaints have been resolved. The remaining 3 cases have had Notice of Charges filed and are progressing through the administrative hearing process. The State also reported making changes to the investigative process to make it more efficient. | The State should monitor its revised processes to ensure timely processing of complaints, to reduce the backlog of aged complaints, and to ensure complaints of appraiser misconduct or wrongdoing are resolved in a timely manner as required by ASC Policy Statement 7. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7. |



Appraisal Subcommittee
Federal Financial Institutions Examination Council

December 3, 2018

Mr. Robert Fortes, Deputy Commissioner
Division of Professional Licensure
1000 Washington Street, Suite 710
Boston, MA 02118

RE: ASC Compliance Review of Massachusetts' Appraiser Regulatory Program

Dear Mr. Fortes:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Massachusetts appraiser regulatory program (Appraiser Program) on July 10-12, 2018, to determine the Appraiser 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 Appraiser Program is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the Massachusetts Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action.¹
- States must maintain adequate documentation to support verification of all claimed education;²
- States must complete audits of affidavits for continuing education credit claimed within sixty days from the date the renewed credential is issued.³
- States must document and maintain files to enable understanding of facts, determinations, and rationale for those determinations;⁴ and
- 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.⁵

ASC staff will confirm appropriate corrective actions have been taken in a Follow-up Review in approximately 6 months. Massachusetts will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



Arthur Lindo
Chairman

Attachment

cc: Ms. Lynn Read, Agency Counsel
Ms. Kristin Mitchell, Program Coordinator
Ms. Ann-Margarette Barry, Prosecuting Counsel

¹12 U.S.C. § 3351; Policy Statement 2.

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

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

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

⁵ 12 U.S.C. § 3347; Policy Statement 7 B.

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 State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement

Final Report Issue Date: December 3, 2018

Massachusetts Appraiser Regulatory Program (State)

Board of Registration of Real Estate Appraisers (Board)

PM: C. Brooks

ASC Compliance Review Date: July 10-12, 2018

Review Period: May 2016 to July 2018

Umbrella Agency: Division of Professional Licensure

Number of State Credentialed Appraisers on National Registry: 1,929

Review Cycle: Two Year with Follow-up

| Applicable Federal Citations | Compliance (YES/NO) Areas of Concern (AC) | | | ASC Staff Observations | State Response | Required/Recommended State Actions | General Comments |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | YES | NO | AC | | | | |
| Statutes, Regulations, Policies and Procedures: | X | | | No compliance issues noted. | N/A | None | None |
| Temporary Practice: | | X | | | | | |
| States must issue temporary practice permits within five business days of receipt of a completed application, or notify the applicant and document the file as to the circumstances justifying delay or other action. (12 U.S.C. § 3351; Policy Statement 2.) | | | | The State failed to process requests for temporary practice permits within 5 business days of receipt of a completed application. Timely processing of temporary practice applications was cited in the last Review. | On October 9, 2018, the State responded that additional staff were trained to process temporary practice applications when the Program Coordinator is out of the office to ensure temporary practice applications are processed within 5 business days. | The State must monitor temporary practice permit processing to ensure compliance with Title XI and ASC Policy Statement 2. | During a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2. |
| 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 Appraiser National Registry. On February 22, 2018, the State was contacted because ASC staff was concerned at the lack of disciplinary actions reported to the Appraiser National Registry. In response, the State added missing discipline to 16 credentials. During the Compliance Review, it was discovered that discipline was not reported to the Appraiser National Registry on an additional 19 credentials. | On October 9, 2018, the State reported that some of these issues may have been from data that was not uploaded to the new Appraiser National Registry during the conversion. The ASC notified the State, however, the State was unable to make corrections due to staffing issues. In addition, the State reported that all missing disciplinary actions were provided to the Appraiser National Registry. | The State should develop a procedure to ensure that all disciplinary actions are submitted to the Appraiser National Registry in a timely manner. | During a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3. |

ASC State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement

Final Report Issue Date: December 3, 2018

Massachusetts Appraiser Regulatory Program (State)

Board of Registration of Real Estate Appraisers (Board)

PM: C. Brooks

ASC Compliance Review Date: July 10-12, 2018

Review Period: May 2016 to July 2018

Umbrella Agency: Division of Professional Licensure

Number of State Credentialed Appraisers on National Registry: 1,929

Review Cycle: Two Year with Follow-up

| Applicable Federal Citations | Compliance (YES/NO) Areas of Concern (AC) | | | ASC Staff Observations | State Response | Required/Recommended State Actions | General Comments |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------|----------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | YES | NO | AC | | | | |
| National Registry continued: | | | X | | | | |
| States must notify the ASC as soon as practicable of voluntary surrenders, suspensions, revocations, or any other action that interrupts a credential holder's ability to practice. (12 U.S.C. § 3347; Policy Statement 3 D, E.) | | | | The State failed to report 4 voluntary surrenders, 4 suspensions and 4 revocations to the Appraiser National Registry timely. | On October 9, 2018, the State responded that some of these disciplinary actions are duplicative of the missing discipline discussed above. In addition, the State reported all discipline was added to the Appraiser National Registry- | The State should develop a procedure to ensure that all disciplinary actions are submitted to the Appraiser National Registry in a timely manner. | During a Follow-up Review and 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 | | | | |
| States must ensure the accuracy of all data submitted to the National Registry. (12 U.S.C. § 3347; Policy Statement 3 A, D, E.) | | | | The State reinstated 12 credentials but failed to report them as active on the Appraiser National Registry. | On October 9, 2018, the State reported that some of these issues may have been from data that was not uploaded to the new Appraiser National Registry during the conversion. The ASC notified the State; however, the State was unable to correct the data due to staffing issues. In addition, the State has since corrected the data on the Appraiser National Registry and the transmission and reconciliation process has been redesigned. | The State should monitor the new process to ensure the information submitted to the Appraiser National Registry is up to date and accurate. | During a Follow-up Review and 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 | | | | | |
| States must maintain adequate documentation to support verification of all claimed education. (12 U.S.C. § 3347; Policy Statement 4 B, C.) | | | | ASC staff requested 9 reinstatement files to review for compliance; 4 of those files could not be located. | On October 9, 2018, the State responded that the missing files were due to staff turnover. | The State should implement an effective policy and procedure to ensure in the future, documentation used to validate education claims are properly retained and available to ASC staff during the Compliance Review. | During a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4. |

ASC State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement
 Final Report Issue Date: December 3, 2018

Massachusetts Appraiser Regulatory Program (State)

| | | | |
|----------------------------------------------------------------|---------------|----------------------------------------------------------------------------|----------------------------------------------|
| Board of Registration of Real Estate Appraisers (Board) | PM: C. Brooks | ASC Compliance Review Date: July 10-12, 2018 | Review Period: May 2016 to July 2018 |
| Umbrella Agency: Division of Professional Licensure | | Number of State Credentialed Appraisers on National Registry: 1,929 | Review Cycle: Two Year with Follow-up |

| Applicable Federal Citations | Compliance (YES/NO) Areas of Concern (AC) | | | ASC Staff Observations | State Response | Required/Recommended State Actions | General Comments |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | YES | NO | AC | | | | |
| Application Process continued: | | X | | | | | |
| States must complete audits of affidavits for continuing education credit claimed within sixty days from the date the renewed credential is issued. (12 U.S.C. § 3347; Policy Statement 4 F.) | | | | The State failed to complete audits of affidavits for continuing education (CE) within 60 days. The State was cited in the last Review for failure to process CE audits timely. | On October 9, 2018, the State responded the Board implemented a new process of rolling audits and are requiring licensees to respond within 15 days. | The State should monitor the new process for CE audits to ensure compliance with ASC Policy Statement 4. | During a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4. |
| Application Process continued: | | | X | | | | |
| States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought, whether for initial credentialing, renewal, upgrade or reinstatement. (12 U.S.C. § 3347; Policy Statement 4.) | | | | Prior to reactivation, credential holders in inactive status must complete all required CE hours that would have been required if the credential holder was in active status. The required hours must also include the most recent edition of a 7-hour USPAP update course. The State reinstated 1 appraiser credential without verifying the applicant had successfully completed the most recent edition of a 7-hour USPAP update course. | On October 9, 2018, the State acknowledged the oversight and reached out to the applicant to take the most recent 7-hour USPAP update course. On October 26, 2018, the State provided evidence the course was completed. | The State should ensure applicants have successfully completed courses consistent with AQB Criteria for the appraiser credential sought | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4. |

ASC State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement
Final Report Issue Date: December 3, 2018

Massachusetts Appraiser Regulatory Program (State)

| | | | |
|----------------------------------------------------------------|---------------|---------------------------------------------------------------------|---------------------------------------|
| Board of Registration of Real Estate Appraisers (Board) | PM: C. Brooks | ASC Compliance Review Date: July 10-12, 2018 | Review Period: May 2016 to July 2018 |
| Umbrella Agency: Division of Professional Licensure | | Number of State Credentialed Appraisers on National Registry: 1,929 | Review Cycle: Two Year with Follow-up |

| Applicable Federal Citations | Compliance (YES/NO) Areas of Concern (AC) | | | ASC Staff Observations | State Response | Required/Recommended State Actions | General Comments |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | YES | NO | AC | | | | |
| Reciprocity: | X | | | No compliance issues noted. | N/A | None | None |
| Education: | X | | | No compliance issues noted. | N/A | None | None |
| Enforcement: | | X | | | | | |
| States must document and maintain files to enable understanding of facts, determinations, and rationale for those determinations. (12 U.S.C. § 3347; Policy Statement 7 B.) | | | | ASC staff requested 22 complaint files to review for compliance; 1 of those files could not be located. | On October 9, 2018, the State responded the file in question was not a complaint file but a request for documents from a licensee who was not the subject of a complaint. | The State must ensure all cases on the enforcement log submitted for ASC staff's review have supporting documentation and entries that are not the subject of a complaint are identified as such. | During a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7. |
| Enforcement continued: | | 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 29 outstanding complaints of which 3 were unresolved for more than 1 year and 1 was unresolved for more than 2 years without the exemption for special documented circumstances. Complaint investigation and resolution has been cited in every Compliance Review conducted for the State since 2010. | On October 9, 2018, the State responded the Board reduced its cases unresolved for more than 1 year from 29 in 2014 to 3 in 2018 and reduced its total outstanding complaints from 77 in 2014 to 29 in 2018. | While the number of aged complaints has been reduced, the number of complaints the State received decreased from 309 during the 2014 Review Cycle to 74 during this Review Cycle. The State must ensure that the complaints of appraiser misconduct or wrongdoing are resolved on a timely basis as required by ASC Policy Statement 7. The State must continue to submit complaint logs to ASC staff quarterly. Staff will analyze each log. If progress is not made, the ASC may place additional requirements upon the State. | Through off-site monitoring, a during a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 7. |

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

January 24, 2019

Ms. Cheryl Pezon, Bureau Director
Bureau of Professional Licensing
Department of Licensing and Regulatory Affairs
611 W Ottawa Street, 3rd Floor
Lansing, MI 48933

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

Dear Ms. Pezon:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Michigan appraiser regulatory program (Appraiser Program) on September 17-19, 2018, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

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

The ASC identified the following area of non-compliance:

- States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought.¹

ASC staff will confirm that appropriate corrective actions have been taken through off-site monitoring and during the next Review. Michigan will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



Arthur Lindo
Chairman

Attachment

cc: Mr. Brian DeBano, Licensing Division Director
Mr. Jon Campbell, Investigations & Inspections Division Director
Mr. Forrest Pasanski, Enforcement Division Director
Ms. Robin Sirls, Licensing Division Section Manager

¹12 U.S.C. § 3347; Policy Statement 4 B, C.

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 ² | <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.

² 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 State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement
Final Report Issue Date: January 24, 2019

Michigan Appraiser Regulatory Program (State)

| | | | |
|-------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------|-------------------------------------------------|
| Michigan Board of Real Estate Appraisers (Board) | PM: K. Klamet | ASC Compliance Review Date: September 17-19, 2018 | Review Period: September 2016 to September 2018 |
| Umbrella Agency: Department of Licensing & Regulatory Affairs, Bureau of Professional Licensing | | Number of State Credentialed Appraisers on National Registry: 2,526 | Review Cycle: Two Year |

| Applicable Federal Citations | Compliance (YES/NO) Areas of Concern (AC) | | | ASC Staff Observations | State Response | Required/Recommended State Actions | General Comments |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----|----|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| | YES | NO | AC | | | | |
| Statutes, Regulations, Policies and Procedures: | X | | | No compliance issues noted. | N/A | None | None |
| Temporary Practice: | | | X | | | | |
| States must issue temporary practice permits within five business days of receipt of a completed application, or notify the applicant and document the file as to the circumstances justifying delay or other action. (12 U.S.C. § 3351; Policy Statement 2.) | | | | The State failed to process requests for temporary practice permits within 5 business days of receipt of a completed application. | On November 20, 2018, the State reported staff has been reminded of the procedures in place to ensure temporary practice permits are issued within 5 days. In addition, the State reported that a new online licensing system is being implemented which will automatically date stamp receipt of the application and shorten the process. | The State should monitor temporary practice permit processing to ensure compliance with Title XI and ASC Policy Statement 2. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2. |
| National Registry: | | | X | | | | |
| States must ensure the accuracy of all data submitted to the National Registry. (12 U.S.C. § 3347; Policy Statement 3 A, D, E.) | | | | The State failed to ensure accuracy of all data submitted to the National Registry. | On November 20, 2018, the State reported that corrective actions and updated procedures were initiated to address this concern and to ensure timely and accurate reporting. | The State should ensure the accuracy of all data submitted to the National Registry in compliance with Title XI and ASC Policy Statement 3. | ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3 during the next Compliance Review. |
| Application Process: | | X | | | | | |
| States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance, upgrade or renewal of a credential so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations. (12 U.S.C. § 3347 (a); Policy Statement 4 A.) | | | | ASC staff requested 25 application files to review for compliance; of those 25 files, 2 were not provided. | On November 20, 2018, the State reported that the lack of the original paper application was likely an error that occurred when the documents were scanned into the digital imaging system. The State also reported that a new online licensing system is being implemented which will require the applicant to upload all supporting documentation. | The State must ensure that all documentation to support its validation methods are available to ASC staff during the next Compliance Review. | ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4 during the next Compliance Review. |

ASC State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement
Final Report Issue Date: January 24, 2019

Michigan Appraiser Regulatory Program (State)

| | | | |
|-------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------|-------------------------------------------------|
| Michigan Board of Real Estate Appraisers (Board) | PM: K. Klamet | ASC Compliance Review Date: September 17-19, 2018 | Review Period: September 2016 to September 2018 |
| Umbrella Agency: Department of Licensing & Regulatory Affairs, Bureau of Professional Licensing | | Number of State Credentialed Appraisers on National Registry: 2,526 | 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 | | | | |
| Application Process continued: | | X | | | | | |
| States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought. (12 U.S.C. § 3347; Policy Statement 4 B, C.) | | | | The State failed to verify that Supervisory Appraisers had completed the AQB Criteria required course specifically oriented to the requirements and responsibilities of Supervisory Appraisers and Trainee Appraisers. | On November 20, 2018, the State reported that the "Real Estate Appraisal Experience Log" was revised to include an attestation that the supervisory appraiser has completed the AQB required course. | The State must verify that Supervisory appraisers for all Trainee appraiser credentials issued during the Review Period (September 2016 – September 2018) completed the AQB required Supervisory Appraiser/Trainee Appraiser Course if required. Within 60 days of the date of this Report, the State must provide ASC staff with the results of this verification and the actions being taken to resolve this concern. | ASC staff will analyze the results to ensure the State does not allow appraisers who fail to meet AQB Criteria to appraise property for federally related transactions. The ASC may place additional requirements upon the State. |
| Reciprocity: | X | | | No compliance issues noted. | N/A | None | None |
| Education: | | X | | ASC staff requested 14 education files for review; of those 14 files, 1 was not provided. | On November 20, 2018, the State advised that the paper filing system for education courses was reorganized and restructured to prevent the loss of documentation in the future. | The State must ensure that all documentation to support its validation methods are available to ASC staff during their Compliance Review. | ASC staff will pay particular attention to this area for compliance with AQB Criteria and ASC Policy Statement 6 during the next Compliance Review. |

ASC State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement
 Final Report Issue Date: January 24, 2019

Michigan Appraiser Regulatory Program (State)

| | | | |
|-------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------|-------------------------------------------------|
| Michigan Board of Real Estate Appraisers (Board) | PM: K. Klamet | ASC Compliance Review Date: September 17-19, 2018 | Review Period: September 2016 to September 2018 |
| Umbrella Agency: Department of Licensing & Regulatory Affairs, Bureau of Professional Licensing | | Number of State Credentialed Appraisers on National Registry: 2,526 | 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 51 outstanding complaints of which 9 were unresolved for more than 1 year and 1 was unresolved for more than 2 years without the exemption for special documented circumstances. The State also reported that processes have been developed to ensure complaints are addressed timely, including reducing the timeframe of the investigative process and assigning appraiser complaints to an Administrative Law Specialist. | On November 20, 2018, the State reported that internal documentation for 5 of the 9 cases, including the case that was unresolved for more than 2 years, were investigated and approved for closing. However, the files were not physically closed with the correct computer entry. | The State should monitor the revised complaint management and documentation process to ensure compliance with Title XI and 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

December 4, 2018

Ms. Jessica Looman, Commissioner
Minnesota Department of Commerce
85 – 7th Place East, Suite 280
St. Paul, MN 55101

RE: ASC Compliance Review of Minnesota’s Appraiser Regulatory Program

Dear Ms. Looman:

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

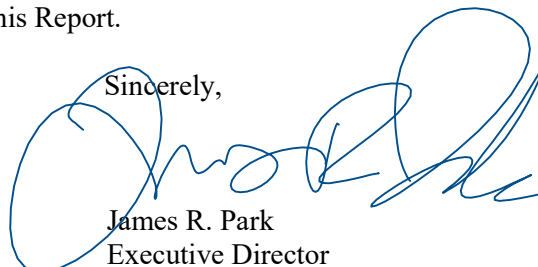
The ASC considered the preliminary results of the Review and the State’s response to those results. The Appraiser Program has been awarded an ASC Finding of “Good.” The final ASC Compliance Review Report (Report) of the Minnesota Appraiser Program is attached.

The ASC identified the following area of non-compliance:

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

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Minnesota will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,

James R. Park
Executive Director

Attachment

cc: Ms. Anne O'Connor, Deputy Commissioner/Chief of Staff
Mr. Peter Brickwedde, Assistant Commissioner
Mr. Martin Fleischhacker, Assistant Commissioner
Mr. Peter Bratsch, Licensing Director
Ms. Jacqueline Olson, Audit Director
Mr. Sheldon Klugman, Internal Controls Director

¹ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.

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 ² | <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.

² 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 State Appraiser Program Compliance Review Report

ASC Finding: Good
 Final Report Issue Date: December 4, 2018

Minnesota Appraiser Regulatory Program (State)

State Board Title (Board): N/A PM: J. Tidwell ASC Compliance Review Date: September 11-13, 2018 Review Period: September 2016 - September 2018
 Umbrella Agency: Minnesota Department of Commerce Number of State Credentialed Appraisers on National Registry: 1,946 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.) | | | | <p>A review of the Program's Statutes revealed the following inconsistencies with the AQB Criteria regarding: (1) reactivation of an appraiser credential; and (2) Supervisory Appraiser requirements.</p> <p>Prior to reactivation, AQB Criteria requires a credential holder in an inactive status to complete the continuing education (CE) that would have been required if the credential holder had been in active status. Minnesota Statute 82B.08 requires CE for "the period during which the license was canceled," but does not include the CE that would have been required during the period prior to cancelation.</p> <p>AQB Criteria requires that Supervisory Appraisers shall not have been subject to any disciplinary action within any jurisdiction within the last 3 years that affects the Supervisory Appraiser's legal eligibility to engage in appraisal practice. Minnesota Statute 82B.094 is inconsistent with this requirement.</p> | <p>On November 8, 2018, the State reported they are in compliance regarding reactivation of an appraiser credential because the application for reinstatement requires both the outstanding CE that was due at the original renewal as well as any due up to the date of application for reinstatement.</p> <p>In addition, the finding regarding Supervisory Appraiser requirements will be shared with the incoming Administration and Legislature to examine for potential changes to current Minnesota law.</p> | <p>The State must amend its Statutes with regard to both findings to bring them into compliance with AQB Criteria, and reflect what is done in practice. A copy of the Statute should be provided to ASC staff once finalized.</p> | <p>The concern regarding reactivation of an appraiser credential was noted by ASC staff previously in the September 2016 Review.</p> <p>During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with AQB Criteria and ASC Policy Statement 1.</p> |
| Temporary Practice: | X | | | No compliance issues noted. | N/A | None | None |

ASC State Appraiser Program Compliance Review Report

ASC Finding: Good
Final Report Issue Date: December 4, 2018

Minnesota Appraiser Regulatory Program (State)

State Board Title (Board): N/A PM: J. Tidwell ASC Compliance Review Date: September 11-13, 2018 Review Period: September 2016 - September 2018
Umbrella Agency: Minnesota Department of Commerce Number of State Credentialed Appraisers on National Registry: 1,946 Review Cycle: Two Year

| Applicable Federal Citations | Compliance (YES/NO) Areas of Concern (AC) | | | ASC Staff Observations | State Response | Required/Recommended State Actions | General Comments |
|------------------------------|----------------------------------------------|----|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| | YES | NO | AC | | | | |
| National Registry: | X | | | No compliance issues noted. | N/A | None | None |
| Application Process: | | | X | Education and experience must be completed prior to taking the National Uniform Licensing and Certification Examination. The State does not ensure that the applicant's experience log contains the required prerequisite experience before taking the AQB-approved examination. | On November 8, 2018, the State reported that immediately after the on-site Review concluded, the internal process was updated to ensure an applicant's experience log contains the required prerequisite experience before taking the AQB-approved examination. | The State should monitor the updated process to ensure compliance with AQB Criteria and ASC Policy Statement 4. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with AQB Criteria and ASC Policy Statement 4. |
| 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 17, 2019

Mr. Charles L. McGill, Board Chair
North Carolina Appraisal Board
5830 Six Forks Road
Raleigh, NC 27609

RE: ASC Compliance Review of North Carolina's Appraiser Regulatory Program

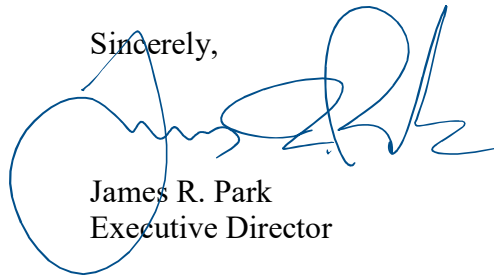
Dear Mr. McGill:

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

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program has been awarded an ASC Finding of "Excellent." North Carolina will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) of the North Carolina Appraiser Program 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. Donald T. Rodgers, Executive 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 State Appraiser Program Compliance Review Report

ASC Finding: Excellent
 Final Report Issue Date: January 17, 2019

North Carolina Appraiser Regulatory Program (State)

North Carolina Appraisal Board (Board) PM: J. Tidwell ASC Compliance Review Date: November 6-8, 2018 Review Period: November 2016 to November 2018

Umbrella Agency: Independent Number of State Credentialed Appraisers on National Registry: 2,976 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

September 17, 2018

Ms. Jodie R. Campbell, Administrator
North Dakota Real Estate Appraiser Qualifications
and Ethics Board
1725 Bonn Boulevard
Bismarck, ND 58504

RE: ASC Compliance Review of North Dakota's Appraiser Regulatory Program

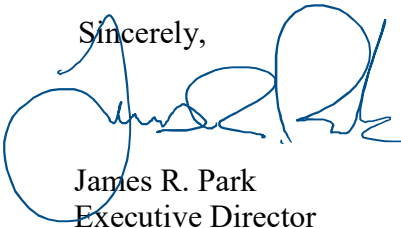
Dear Ms. Campbell:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the North Dakota appraiser regulatory program (Appraiser Program) on June 26-28, 2018, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program has been awarded an ASC Finding of "Excellent." North Dakota will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) of the North Dakota Appraiser Program 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 Lanpher, Board Chair

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: September 17, 2018

North Dakota Appraiser Regulatory Program (State)

Real Estate Appraiser Qualifications and Ethics Board (Board) PM: C. Brooks ASC Compliance Review Date: June 26-28, 2018 Review Period: June 2016 to June 2018

Umbrella Agency: Independent Number of State Credentialed Appraisers on National Registry: 297 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 |


Appraisal Subcommittee
Federal Financial Institutions Examination Council

December 3, 2018

Ms. Dori Davis, Chair
Appraiser Certification and Licensure Board
200 Hawthorne Avenue SE, Suite C-302
Salem, OR 97301

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

Dear Ms. Davis:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Oregon appraiser regulatory program (Appraiser Program) on July 16-18, 2018, to determine the Appraiser 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 Appraiser Program is given an ASC finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the Oregon Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States must have funding and staffing sufficient to carry out their Title XI-related duties;¹ and
- 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.²

ASC staff will confirm appropriate corrective actions have been taken through off-site monitoring and during the next Review. Oregon will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



Arthur Lindo
Chairman

Attachment

cc: Ms. Gae Lynne Cooper, Administrator

¹ 12 U.S.C. § 3347; Policy Statement 1 B.

² 12 U.S.C. § 3347; Policy Statement 7 B.

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 State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement
 Final Report Issue Date: December 3, 2018

Oregon Appraiser Regulatory Program (State)

| | | | |
|-----------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------|---------------------------------------------|
| State Board Title: Oregon Appraiser Certification and Licensure Board (Board) | PM: V. Metcalf | ASC Compliance Review Date: July 16-18, 2018 | Review Period: July 2016 - July 2018 |
| Umbrella Agency: Department of Administrative Services (Department) / Semi-Independent | | Number of State Credentialed Appraisers on National Registry: 1,487 | 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 require that appraisals be performed in accordance with the latest version of USPAP. (12 U.S.C. § 3331; 12 U.S.C. § 3347; Policy Statement 1 F.) | | | | The State had not adopted the 2018-2019 edition of USPAP. | On October 11, 2018, the State responded that proposed amendments adopting USPAP should become final in November 2018. | The State should continue the process to amend its rule and develop a process that ensures timely adoption of each new version of USPAP. | During the next Compliance Review, ASC staff will pay attention to this area for compliance with Title XI and ASC Policy Statement 1. |
| Statutes, Regulations, Policies and Procedures continued: | | 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 staff and legal resources resulted in the Program's failure to timely resolve complaints. Complaints assigned to the Assistant Attorney General often take more than a year to resolve. | On October 11, 2018, the State reported its efforts in providing resources to support the Programs Title XI related duties. They: (1) Sent the Assistant Attorney General to 3 Investigator Training courses; (2) Implemented a streamlined conditional dismissal process; and (3) Approved a second investigator position. | The State must continue to explore ways to achieve and maintain the necessary resources to perform their Title XI-related duties. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 1. |
| Statutes, Regulations, Policies and Procedures continued: | | | X | | | | |
| States must, at a minimum, adopt and/or implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.) | | | | While the regulations in §161-020-0150 establish that up to 50% of the required CE may be obtained via teaching, no such limitation is set forth in the regulations for program development, textbook authorship and other non-traditional activities. | On October 11, 2018, the State reported that its staff is drafting a proposed amendment to bring the regulation into compliance. | The State should continue the process to amend its rules to bring them into compliance with AQB Criteria and provide the ASC staff with a copy of the rules once finalized. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 1. |

ASC State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement
 Final Report Issue Date: December 3, 2018

| | | | |
|----------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------|--------------------------------------|
| Oregon Appraiser Regulatory Program (State) | | | |
| State Board Title: Oregon Appraiser Certification and Licensure Board (Board) | PM: V. Metcalf | ASC Compliance Review Date: July 16-18, 2018 | Review Period: July 2016 - July 2018 |
| Umbrella Agency: Department of Administrative Services (Department) / Semi-Independent | | Number of State Credentialed Appraisers on National Registry: 1,487 | 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 | | | | |
| 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 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 66 outstanding complaints of which 22 were unresolved for more than 1 year and 9 were unresolved for more than 2 years, without the exemption for special documented circumstances. | On October 11, 2018, the State reported its efforts in improving the resolution of complaints. They: (1) Sent the Assistant Attorney General to 3 Investigator Training courses; (2) Implemented a streamlined conditional dismissal process; and (3) Approved a second investigator position. | The State must submit quarterly complaint logs to ASC staff. Staff will analyze each log. If progress is not made, the ASC may place additional requirements upon the State. | Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 7. |

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

September 18, 2018

Commissioner Ian Harlow
Bureau of Professional and Occupational Affairs
Department of State
One Penn Center
2601 North 3rd Street
Harrisburg PA 17110

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

Dear Commissioner Harlow:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Pennsylvania appraiser regulatory program (Program) on May 8-10, 2018, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Program is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) is attached.

The ASC identified the following area of non-compliance:

- 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.¹

ASC staff will confirm appropriate corrective actions have been taken through off-site monitoring and during the next Review. Pennsylvania will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



Arthur Lindo
Chairman

Attachment

cc: Mr. D. Thomas Smith, Chair
Ms. Heidi Weirich, Board Administrator
Ms. Jacqueline Wolfgang, Board Counsel
Mr. Ray Michalowski, Senior Prosecutor

¹ 12 U.S.C. § 3347; Policy Statement 7 B.

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 ² | <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.

² 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: Needs Improvement
Final Report Issue Date: September 18, 2018

Pennsylvania Appraiser Regulatory Program (State)

| | | | |
|----------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------|-------------------------------------|
| Board of Certified Real Estate Appraisers (Board) | PM: C. Brooks | ASC Compliance Review Date: May 8-10, 2018 | Review Period: May 2016 to May 2018 |
| Umbrella Agency: Department of State, Bureau of Professional and Occupational Affairs | | Number of State Credentialed Appraisers on National Registry: 3,158 | 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.) | | | | <p>A review of the State's Regulations revealed the following inconsistencies with the AQB Criteria regarding: (1) Trainees; (2) Supervisory appraisers; and (3) qualifying education.</p> <p>AQB Criteria requires Trainees to complete qualifying education (QE) within 5 years prior to application; and complete a course specifically oriented to the requirements and responsibilities of Supervisory Appraisers and Trainee Appraisers. Pennsylvania's Regulations do not include these requirements.</p> <p>AQB Criteria requires Supervisory appraisers to not have been the subject of discipline affecting their ability to appraise for at least 3 years; and complete a course specifically oriented to the requirements and responsibilities of Supervisory Appraisers and Trainee Appraisers. Pennsylvania's Regulations do not include these requirements.</p> <p>AQB Criteria requires Certified General credential applicants to hold a Bachelor's degree, and does not allow for education "in lieu of" the degree. Pennsylvania Regulations allows the degree requirement to be satisfied through the completion of specific college level courses "in lieu of" holding a degree.</p> <p>AQB Criteria requires Certified Residential credential applicants to hold an Associate's Degree in specific fields of study or 30 semester hours of college and/or CLEP exams in specific topic areas. Pennsylvania Regulations allow an AA degree in any field of study or 21 semester hours in specific college level courses.</p> | On July 24, 2018, the State reported regulations to address the inconsistencies were drafted in 2016 and are in the final stages of Pennsylvania's extensive regulatory approval process. In addition, the State reported it has statutory authority to enforce the minimum AQB Criteria. The State will continue to work through the regulatory process so the Board's regulations reflect the minimum requirements of AQB Criteria and the State's Statutes. | The State should continue the process to amend its regulations to bring them into compliance with AQB Criteria, and provide the ASC staff with a copy of the final rules once adopted. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 1. |

| ASC Compliance Review Report | | | | | | ASC Finding: Needs Improvement | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|---------------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | | | Final Report Issue Date: September 18, 2018 | |
| Pennsylvania Appraiser Regulatory Program (State) | | | | | | | |
| Board of Certified Real Estate Appraisers (Board) | | PM: C. Brooks | | ASC Compliance Review Date: May 8-10, 2018 | | Review Period: May 2016 to May 2018 | |
| Umbrella Agency: Department of State, Bureau of Professional and Occupational Affairs | | | | Number of State Credentialed Appraisers on National Registry: 3,158 | | 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 | | | | |
| 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 July 24, 2018, the State reported all discipline was added to the National Registry. In addition, the State completed an audit of all enforcement actions from the past 4 years and modified procedures to ensure all discipline is reported to the National Registry in the future. | The State should monitor the new procedures to ensure all disciplinary actions are submitted in a timely manner to the ASC National Registry . | 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 | | | | | |
| 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 70 outstanding complaints of which 15 were unresolved for more than 1 year and 12 were unresolved for more than 2 years. Of the aged complaints, 11 were removed under the exemption for special documented circumstances. | On July 24, 2018, the State reported implementing a revised case handling procedure including a non-disciplinary remediation program which, when fully executed, should eliminate the backlog of aged complaints and prevent cases from aging in the future. | The State must continue to submit quarterly complaint logs to ASC staff. Staff will analyze each log. If progress is not made, the ASC may place additional requirements upon the State. | Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7. |

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Appraisal Subcommittee
Federal Financial Institutions Examination Council

October 31, 2018

Ms. Marcia Hultman, Secretary
Department of Labor and Regulation
123 West Missouri Avenue
Pierre, SD 57501

RE: ASC Compliance Review of South Dakota's Appraiser Regulatory Program

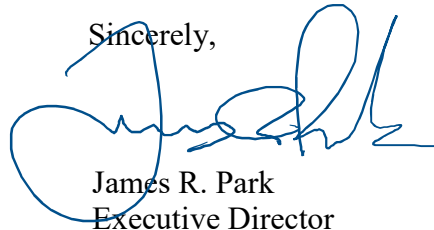
Dear Ms. Hultman:

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

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program has been awarded an ASC Finding of "Good." An area of concern that was identified is being addressed by the Appraiser Program. The final ASC Compliance Review Report (Report) of the South Dakota Appraiser Program 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. Sherry Bren, Executive 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 State Appraiser Program Compliance Review Report

ASC Finding: Good
 Final Report Issue Date: October 31, 2018

South Dakota Appraiser Regulatory Program (State)

| | | | |
|------------------------------------------------------------|--------------------|-------------------------------------------------------------------|-------------------------------------------|
| Appraiser Certification Program Advisory Council (Council) | PM: N. Fenochietti | ASC Compliance Review Date: August 14-16, 2018 | Review Period: August 2016 to August 2018 |
| Umbrella Agency: Department of Labor and Regulation | | Number of State Credentialed Appraisers on National Registry: 377 | 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. The State also set up a procedure to forward all disciplinary actions to the ASC immediately following every adjudication panel meeting. | On October 25, 2018, the State reported all missing disciplinary actions were provided to the National Registry. The State also set up a procedure to forward all disciplinary actions to the ASC immediately following every adjudication panel meeting. | 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. |
| 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.) | | | | | | | |
| 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 |



Appraisal Subcommittee
Federal Financial Institutions Examination Council

December 10, 2018

Mr. Gabriel Gilman, General Counsel
Board of Real Estate Appraisers
Office of Professional Regulation
89 Main Street, 3rd Floor
Montpelier, VT 05620

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

Dear Mr. Gilman:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Vermont appraiser regulatory program (Appraiser Program) on July 30-August 1, 2018, to determine the Appraiser Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered only the preliminary results of the Review as the State did not respond to the ASC Staff Preliminary Compliance Review Findings. The Appraiser Program is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the Vermont Appraiser Program is attached.

The ASC identified the following area(s) of non-compliance:

- States must issue temporary practice permits within five business days of receipt of a completed application, or notify the applicant and document the file as to the circumstances justifying delay or other action;¹
- 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;² and
- States must track all complaints on a complaint log containing the required information.³

ASC staff will confirm appropriate corrective actions have been taken through a follow-up visit and during the next Review. Vermont will remain on a two-year Review Cycle.

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

² 12 U.S.C. § 3347; Policy Statement 7 B.

³ 12 U.S.C. § 3347; Policy Statement 7 B.

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,



Arthur Lindo
Chairman

Attachment

cc: Ms. Tara Grenier, Licensing Administrator
Ms. Judith Roy, Licensing Administrator 1

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 State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement

Final Report Issue Date: December 10, 2018

Vermont Appraiser Regulatory Program (State)

Board of Real Estate Appraisers (Board) PM: K. Klamet

ASC Compliance Review Date: July 30-August 1, 2018

Review Period: July 2016 to July 2018

Umbrella Agency: Office of Professional Regulation

Number of State Credentialed Appraisers on National Registry: 264

Review Cycle: Two year with follow-up

| 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 | | The State failed to process requests for temporary practice permits within 5 business days of receipt of a completed application. | None | The State must provide, within 60 days of issuance of this Report, a plan on how the State will ensure temporary practice permits are issued within 5 days of application receipt. | Through off-site monitoring as well as during a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2. |
| States must issue temporary practice permits within five business days of receipt of a completed application, or notify the applicant and document the file as to the circumstances justifying delay or other action. (12 U.S.C. § 3351; Policy Statement 2.) | | | | | | | |
| 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 | | The State had 13 outstanding complaints of which 5 were unresolved for more than 1 year and 5 were unresolved for more than 2 years without the exemption for special documented circumstances. | None | The State must provide, within 60 days of issuance of this Report, a written plan on how the State will address the backlog of outstanding complaints and how it will facilitate more timely complaint disposition in the future. | Through off-site monitoring as well as during a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7. |
| 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.) | | | | | | | |
| Enforcement continued: | | X | | The State was unable to ensure all complaints were identified and monitored. | None | The State must provide, within 60 days of issuance of this Report, a plan on how the State will ensure that it has an effective process to identify and monitor all complaints. | Through off-site monitoring as well as during a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7. |
| States must track all complaints on a complaint log containing the required information. (12 U.S.C. § 3347; Policy Statement 7 B.) | | | | | | | |

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Appraisal Subcommittee
Federal Financial Institutions Examination Council

September 24, 2018

Ms. Jennifer Clawson, Acting Assistant Director
Washington State Department of Licensing
P O Box 9021
Olympia, WA 98507-9021

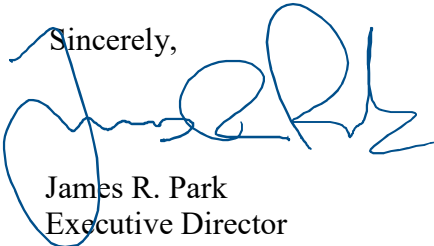
RE: ASC Compliance Review of Washington's Appraiser Regulatory Program

Dear Ms. Clawson:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Washington appraiser regulatory program (Appraiser Program) on August 15-17, 2018, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program has been awarded an ASC Finding of "Excellent." Washington will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) of the Washington Appraiser Program 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. Lorin Doyle, Acting Deputy Assistant Director
Mr. Jerry McDonald, Administrator
Ms. Lynn Briscoe, Assistant Administrator
Ms. Dee Sharp, Program Manager

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: September 24, 2018

| | | | |
|------------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------|--------------------------------------------|
| Washington Appraiser Regulatory Program (State) | | | |
| Real Estate Appraiser Commission (Board) | PM: J. Tidwell | ASC Compliance Review Date: Aug 15-17, 2018 | Review Period: May 2016 to Aug 2018 |
| Umbrella Agency: Washington State Department of Licensing | | Number of State Credentialed Appraisers on National Registry: 2,616 | 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 29, 2018

Mr. Kreg T. Allison, Director
Division of Real Estate
Illinois Department of Financial and
Professional Regulation
100 W. Randolph Street, 9th Floor
Chicago, IL 60601

RE: Appraisal Subcommittee Staff Follow-Up Review of Illinois' Appraiser Regulatory Program

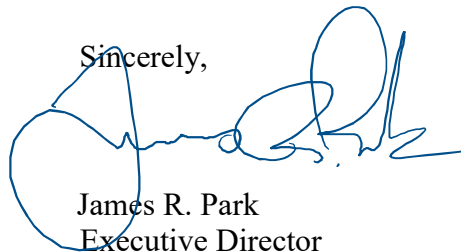
Dear Mr. Allison:

Thank you for your cooperation and your staff's assistance in the September 5, 2018, Appraisal Subcommittee (ASC) staff Follow-up Review of the appraiser regulatory program (Appraiser Program). This was a Follow-up Review of the November 5-9, 2017, Compliance Review of the Illinois Appraiser Program.

As detailed in the attached Follow-up Report (Report) of the Illinois Appraiser Program, Illinois made progress in 2 of the 5 non-compliance concerns identified in the March 30, 2018, Appraiser Program Report. In addition, Illinois addressed recommended actions to strengthen the Program. The ASC staff is requiring a written plan and policy in addition to monthly complaint logs as detailed in the attached Report.

This letter and the attached Follow-up Report are public record and available on the ASC website in accordance with the Freedom of Information Act. Please contact us if you have any questions.

Sincerely,



James R. Park
Executive Director

Attachment

cc: Mr. Brian Weaver, Appraisal Coordinator

ASC Staff Follow-Up Report: 2017 Compliance Review

| | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Illinois Appraiser Regulatory Program (State) | | | | | | |
| Illinois Real Estate Appraisal Administration and Disciplinary Board (Board) | | | Follow-Up Review Date: September 5, 2018 | | Follow-Up Report Issue Date: October 29, 2018 | |
| Umbrella Agency: Illinois Department of Financial and Professional Regulation, Division of Real Estate | | | ASC Compliance Review Date: November 5-9, 2017 | | PM: V. Metcalf | |
| Follow-Up of Compliance Review Report Dated: March 30, 2018 | | | ASC Finding: Needs Improvement | | | |
| Applicable Federal Citations | | | | | | |
| | ASC Staff Assessment Compliance (YES/NO) Areas of Concern (AC) | | | Required/Recommended State Actions from the March 30, 2018 Compliance Review Report | Status as of September 5, 2018 Follow-up | Further Required Actions/Comments |
| | Yes | No | AC | | | |
| National Registry: | | X | | | | |
| States must notify the ASC as soon as practicable of voluntary surrenders, suspensions, revocations, or any other action that interrupts a credential holder's ability to practice. (12 U.S.C. § 3347; Policy Statement 3 D, E.) | | | | The State must ensure all disciplinary actions are reported to the National Registry via the extranet application within 5 business days after the disciplinary action is final, as determined by State law. | During the Follow-up Review, ASC staff identified 1 suspension imposed in February 2018 that had not been reported. State staff attribute the failure to report this disciplinary action to a mix-up during the transition period, when duties of reporting discipline were reassigned. | Further Required Actions: The State must monitor its process to ensure all disciplinary actions are reported to the National Registry. Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 3. |
| National Registry continued: | | | X | | | |
| States are required to report disciplinary action via the extranet application as soon as practicable. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 D.) | | | | The State must ensure all disciplinary actions are reported to the National Registry via the extranet application within 5 business days after the disciplinary action is final, as determined by State law. | During the Follow-up Review, ASC staff compared the complaint logs provided by staff with the National Registry and determined that it appears disciplinary actions are being reported timely, with the exception of the one noted above. | Further Required Actions: None Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 3. |
| National Registry continued: | | | 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 must ensure all disciplinary actions are reported to the National Registry via the extranet application within 5 business days after the disciplinary action is final, as determined by State law. | During the Follow-up Review, ASC staff compared the complaint log provided with the National Registry and determined that it appears all disciplinary actions were being reported, with the exception of the one noted above. | Further Required Actions: None Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 3. |
| Application Process: | | X | | | | |
| States must take remedial action when more than ten percent of audited affidavits for continuing education credit claimed fail to meet minimum AQB Criteria. (12 U.S.C. § 3347; Policy Statement 4 C.) | | | | Within 90-days, the State must provide the ASC with a plan of action it will take to address the apparent weakness of its affidavit process. | On July 13, 2018, the State reported the passage of House Bill 5210, which establishes a process that will notify appraisers of potential CE deficiencies before their credentials' expiration dates. It will be implemented with the 2019 renewal cycle and should significantly reduce if not cure the failure rate concerns. | Further Required Actions: The State must monitor its new process and take remedial action when more than ten percent of audited affidavits for CE credit claimed fail to meet minimum AQB Criteria. Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 4. |

ASC Staff Follow-Up Report: 2017 Compliance Review

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|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------|
| Illinois Appraiser Regulatory Program (State) | | |
| Illinois Real Estate Appraisal Administration and Disciplinary Board (Board) | Follow-Up Review Date: September 5, 2018 | Follow-Up Report Issue Date: October 29, 2018 |
| Umbrella Agency: Illinois Department of Financial and Professional Regulation, Division of Real Estate | ASC Compliance Review Date: November 5-9, 2017 | PM: V. Metcalf |
| Follow-Up of Compliance Review Report Dated: March 30, 2018 | ASC Finding: Needs Improvement | |

| Applicable Federal Citations | ASC Staff Assessment Compliance (YES/NO) Areas of Concern (AC) | | | Required/Recommended State Actions from the March 30, 2018 Compliance Review Report | Status as of September 5, 2018 Follow-up | Further Required Actions/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.) | | | | <p>The State must continue to submit monthly complaint logs to ASC staff. Staff will analyze each log. If progress is not made, the ASC may place additional requirements upon the State.</p> | <p>The State has been submitting the required monthly complaint logs of open complaints. ASC staff discovered, during the Follow-up Review, the monthly logs submitted were not sufficient.</p> <p>During the Follow-up, the State had 165 outstanding complaints of which 7 were unresolved for more than 1 year and 4 were unresolved for more than 2 years, without the exemption for special documented circumstances. The last Review cited 71 outstanding complaints of which 8 were unresolved for more than 1 year without the exemption for special documented circumstances.</p> <p>Of the 165 outstanding complaints 79 were attributed to open CE audits.</p> <p>During the Follow-up Review, State staff reported that: (1) House Bill 5502 passed which authorized the Division to hire 2 Certified Appraisers as investigators; (2) The State filled 2 vacant Prosecutor positions; (3) Existing staff responsibilities were reassigned and sections reorganized to promote efficiency; and (4) The State planned to implement a process to resolve some enforcement cases with a non-disciplinary action.</p> | <p>Further Required Actions: The State must submit monthly complaint logs identifying both open and closed complaints, in accordance with the recently revised format established in coordination with the assigned ASC Policy Manager.</p> <p>Within 60 days, the State must provide a detailed written plan, acceptable to ASC staff, detailing how the Program will address the State's backlog of outstanding complaints and facilitate a more timely disposition of complaints in the future. The plan must clearly specify measurable goals and a timeline to achieve those goals.</p> <p>In addition, within 60 days, the State must develop and implement a policy detailing processes for non-disciplinary actions to ensure disposition of case resolution is consistent, appropriate and equitable.</p> <p>Comments: Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 7. Staff will analyze each log. If progress is not made, the ASC may place additional requirements upon the State.</p> |

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

September 4, 2018

Mr. Dean Zantow, Chair
New Mexico Real Estate Appraisers Board
Regulation and Licensing Department
Toney Anaya Building
2550 Cerrillos Road, Second Floor
Santa Fe, NM 87505

RE: Appraisal Subcommittee Staff Follow-Up Review

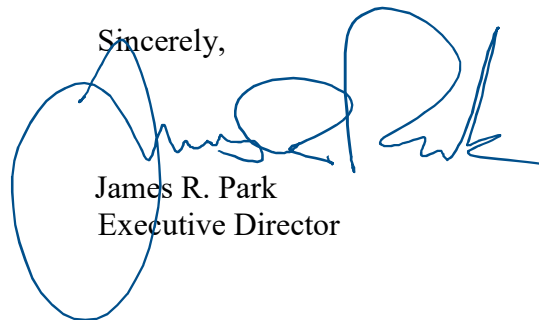
Dear Mr. Zantow:

Thank you for your cooperation and your staff's assistance in the July 17, 2018, Appraisal Subcommittee (ASC) staff Follow-up Review. This was a Follow-up Review of the June 6-9, 2017, ASC Compliance Review of the New Mexico appraiser regulatory program.

As detailed in the attached Follow-up Report, New Mexico made progress in the non-compliance concerns identified in the October 20, 2017, Compliance Review Report.

This letter and the attached Follow-up Report are public record and available on the ASC website in accordance with the Freedom of Information Act. Please contact us if you have any questions.

Sincerely,



James R. Park
Executive Director

Attachment

cc: Ms. Ruth Romero, Board Administrator
Ms. Laura Romero-Halama, Team Leader
Mr. Robert Unthank, Superintendent
Ms. Kathy Ortiz, Deputy Director
Ms. Jennifer Saavedra, Litigation Division Director
Ms. Olga M. Serafimova, Assistant Attorney General

ASC Staff Follow-Up Report: 2017 Compliance Review

| | | |
|------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------|
| New Mexico (NM) Appraiser Regulatory Program (State) | | |
| New Mexico Real Estate Appraisers Board (Board) | Follow-Up Review Date: July 17, 2018 | Follow-Up Report Issue Date: September 4, 2018 |
| Umbrella Agency: New Mexico Regulation and Licensing Department | ASC Compliance Review Date: June 6-9, 2017 | PM: J. Tidwell |
| Final Compliance Review Report Issue Date: October 20, 2017 | ASC Finding: Needs Improvement | |

| Applicable Federal Citations | ASC Staff Assessment Compliance (YES/NO) Areas of Concern (AC) | | | Required/Recommended State Actions from the October 20,2017 Compliance Review Report | Status as of July 17, 2018 Follow-Up | Further Required Actions/Comments |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | AC | | | |
| Application Process: | | | X | | | |
| States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought, whether for initial credentialing, renewal, upgrade or reinstatement. (12 U.S.C. § 3347; Policy Statement 4.) | | | | The State must implement an effective process of validating that applicants have successfully completed courses consistent with AQB Criteria for the appraiser credential sought on all initial applications. | ASC staff reviewed 7 application files and found all applicants had successfully completed courses consistent with AQB Criteria. The State developed written procedures and checklists to ensure all requirements have been met prior to issuance of a license. Completed checklists were found in all 7 files reviewed. | Further Required Actions: None Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 4. |
| Enforcement: | | | X | | | |
| States must document and maintain files to enable understanding of facts, determinations, and rationale for those determinations. (12 U.S.C. § 3347; Policy Statement 7 B.) | | | | The State must monitor its revised complaint management and documentation procedures to ensure it is carrying out its Title XI-related duties. | ASC staff reviewed 23 closed investigation files and found that files processed since the Compliance Review contained sufficient documentation to support the rationale for dismissal. Board staff prepares a Complaint Summary Report that lists the violations identified by the Complaint Committee, defines the action that led to each violation, provides a recommendation for appropriate action or summarizes the basis for a case to be dismissed. | Further Required Actions: None Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 7. |
| Enforcement continued: | | 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 must monitor its revised processes to ensure timely processing of complaints to reduce the backlog of aged complaints, and to ensure that complaints of appraiser misconduct or wrongdoing are resolved on a timely basis as required by ASC Policy Statement 7 B. The State must submit complaint logs to ASC staff quarterly. Staff will analyze each log. If progress is not made, the ASC may place additional requirements upon the State. The State should contact its assigned ASC Policy Manager to determine log submission schedule and details. | During the Follow-up Review, the State had 4 outstanding complaints of which 1 was unresolved for more than 2 years. In the effort to reduce the backlog of disciplinary cases and to prevent them from recurring in the future, the State committed to shortening the time it takes from the day a complaint is received until the day it is referred to the Attorney General for prosecution. The Complaint Committee and Board will have additional or special meetings if necessary. | Further Required Actions: The State must continue to submit complaint logs to ASC staff quarterly. Staff will analyze each log. If progress is not made, the ASC may place additional requirements upon the State. Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 7. |

ASC Staff Follow-Up Report: 2017 Compliance Review

| | | |
|------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------|
| New Mexico (NM) Appraiser Regulatory Program (State) | | |
| New Mexico Real Estate Appraisers Board (Board) | Follow-Up Review Date: July 17, 2018 | Follow-Up Report Issue Date: September 4, 2018 |
| Umbrella Agency: New Mexico Regulation and Licensing Department | ASC Compliance Review Date: June 6-9, 2017 | PM: J. Tidwell |
| Final Compliance Review Report Issue Date: October 20, 2017 | ASC Finding: Needs Improvement | |

| Applicable Federal Citations | ASC Staff Assessment Compliance (YES/NO) Areas of Concern (AC) | | | Required/Recommended State Actions from the October 20,2017 Compliance Review Report | Status as of July 17, 2018 Follow-Up | Further Required Actions/Comments |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Yes | No | AC | | | |
| Enforcement continued: | | X | | | | |
| States must ensure that the system for processing and investigating complaints and sanctioning appraisers is administered in an effective, consistent, equitable, and well-documented manner. (12 U.S.C. § 3347; Policy Statement 7 B.) | | | | The State must monitor its revised complaint management and documentation procedures to ensure that complaints of appraiser misconduct or wrongdoing are processed consistently. | During the Follow-up Review, ASC staff discovered that 6 of the aged complaints had been closed without action because they were processed ineffectively causing the cases to age beyond the State's Statute of Limitations (SOL) and therefore were closed without further processing. These cases had been forwarded for proposed disciplinary actions. In an effort to ensure that the system for processing and investigating complaints and sanctioning appraisers is administered in an effective, consistent, equitable manner, the Board began prioritizing complaints based on the severity of the violations and began using "education in lieu of discipline" to allow more resources to be dedicated to cases involving more egregious violations. A disciplinary action matrix was developed and is used to promote consistency when processing cases involving similar violations. ASC staff believes the new process should prevent cases from falling under the SOL in the future. | Further Required Actions: The State must continue to monitor its revised complaint management and documentation procedures to ensure that complaints of appraiser misconduct or wrongdoing are processed consistently. Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 7. |
| Enforcement continued: | | | 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 must monitor its revised complaint management and documentation procedures to ensure it is carrying out its Title XI-related duties. | By implementing the revised complaint management and documentation procedures, it appears the State is carrying out its Title XI-related duties related to enforcement. | Further Required Actions: None Comments: During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 1. |

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Appraisal Subcommittee
Federal Financial Institutions Examination Council

January 22, 2019

Mr. Tom Ryan, Executive Director
Real Estate Appraisers Board
Department of Safety and Professional Services
4822 Madison Yards Way
Madison, WI 53705

RE: Appraisal Subcommittee Staff Follow-Up Review of Wisconsin's Appraiser Regulatory Program

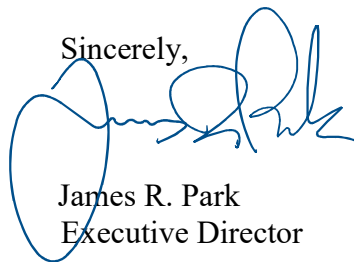
Dear Mr. Ryan:

Thank you for your cooperation and assistance in the December 3, 2018, Appraisal Subcommittee (ASC) staff Follow-up Review call of the Wisconsin appraiser regulatory program (Appraiser Program). This was a Follow-up call regarding the June 19-21, 2017, ASC Compliance Review of the Wisconsin Appraiser Program.

As detailed in the attached Follow-up Report (Report), Wisconsin made progress in the non-compliance concerns identified in the October 20, 2017, Appraiser Program Report. We commend the Wisconsin Appraiser Program for its efforts and the progress made.

This letter and the attached Follow-up Report are public record and available on the ASC website in accordance with the Freedom of Information Act. Please contact us if you have any questions.

Sincerely,



James R. Park
Executive Director

Attachment

ASC Staff Follow-Up Report: 2017 Compliance Review

| Wisconsin Appraiser Regulatory Program (State) | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Real Estate Appraisers Board (Board) / Decision Making | | | Follow-Up Review Date: December 3, 2018 | | Follow-Up Report Issue Date: January 22, 2019 | |
| Umbrella Agency: Department of Safety and Professional Services | | | ASC Compliance Review Date: June 19-21, 2017 | | PM: K. Klamet | |
| Follow-Up of Compliance Review Report Dated: December 3, 2018 | | | ASC Finding: Needs Improvement | | | |
| | | | | | | |
| Applicable Federal Citations | ASC Staff Assessment Compliance (YES/NO) Areas of Concern (AC) | | | Required/Recommended State Actions from the October 20, 2017 Compliance Review Report | Status as of December 3, 2018 Follow-Up Call | Further Required Actions/Comments |
| | Yes | No | AC | | | |
| Application Process | | | X | | | |
| States must verify that all claimed qualifying and continuing education courses are acceptable under AQB Criteria. (12 U.S.C. § 3347; Policy Statement 4 B, C.) | | | | <p>Program staff incorrectly applied the 2015 Criteria to 1 applicant that did not meet AQB Criteria.</p> <p>The State must cease issuing appraiser credentials to applicants that do not meet all AQB Criteria.</p> <p>The State must within 60 days of this Report, provide ASC staff with a detailed account of the actions being taken to resolve this</p> | ASC staff verified the applicant's certified residential credential is inactive on the National Registry. The applicant qualified for and was issued the State License credential on 9/21/2018. | <p>Further Required Actions: None</p> <p>Comments: ASC staff will pay particular attention to this area for compliance with AQB Criteria during the next Review.</p> |
| Application Process (continued): | | | X | | | |
| States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought, whether for initial credentialing, renewal, upgrade or reinstatement. (12 U.S.C. § 3347; Policy Statement 4.) | | | | <p>The State must cease reinstating certified appraiser credentials to individuals failing to demonstrate CE hours consistent with AQB Criteria.</p> <p>Within 60 days of the date of this Report, the State must provide ASC staff a detailed account of the actions being taken to resolve this concern</p> <p>ASC staff will analyze the results to ensure the State does not allow appraisers who fail to meet AQB Criteria to appraise property for federally related transactions. The ASC may place additional requirements upon the</p> | <p>ASC staff confirmed 2 of the 3 credential holders have successfully completed courses consistent with AQB Criteria for reinstatement. The third credential holder has not complied and does not hold a current credential.</p> <p>In addition, ASC staff found that the State implemented a new process to ensure CE compliance with AQB Criteria and it appears the new process is being utilized effectively.</p> | <p>Further Required Actions: None</p> <p>Comments: ASC staff will pay particular attention to this area for compliance with AQB Criteria during the next Review.</p> |

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

October 31, 2018

Mr. Robert Charlton, Superintendent
Arizona Department of Financial Institutions
100 North 15th Avenue, Suite 261
Phoenix, AZ 85007

RE: ASC Compliance Review of Arizona's Appraisal Management Company (AMC) Regulatory Program

Dear Mr. Charlton:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Arizona AMC regulatory program (AMC Program) on August 28-30, 2018, to determine the AMC 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 AMC Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) is attached.

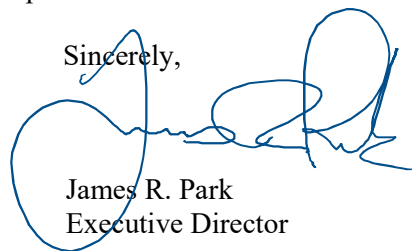
The ASC identified the following area of non-compliance:

- Participating States must establish and maintain an AMC Program with the legal authority and mechanisms consistent with the AMC Rule.¹

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Arizona will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



James R. Park
Executive Director

Attachment

cc: Mr. Mark Murphy, Division Manager, Licensing and Consumer Affairs
Ms. Tammy Seto, Division Manager, Financial Services

¹ (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

ASC Finding Descriptions

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

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

ASC State AMC Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: October 31, 2018

Arizona AMC Regulatory Program (State)

State Board Title: N/A

PM: V. Metcalf

ASC Compliance Review Date: August 28-30, 2018

Review Period: June 2016 - August 2018

Umbrella Agency: Licensing and Consumer Affairs Division, Department of Financial Institutions

Number of AMCs on National Registry: 0

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 | | | | | |
| Participating States must establish and maintain an AMC Program with the legal authority and mechanisms consistent with the AMC Rule. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 - 323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.) | | | | A regulated AMC must notify appraisers on its appraiser panel before their removal from the panel. The State allows regulated AMCs to remove an appraiser from its panel, without notice, within the first sixty days after the appraiser is first added to the appraiser panel. | On October 1, 2018, the State provided draft language to bring the statute into compliance and proposed to amend the statute during the 2019 legislative session. | The State must continue the process to amend the statute to bring it into compliance and provide the ASC staff with a copy once finalized. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 8. |
| Statutes, Regulations, Policies and Procedures: | | X | | | | | |
| Participating States must establish and maintain an AMC Program with the legal authority and mechanisms consistent with the AMC Rule. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 - 323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.) | | | | States must report violations of appraisal related laws, regulations, or orders, and disciplinary and enforcement actions to the ASC. The State limits its reporting of any action of a state-licensed or state-certified appraiser or appraisal management company to those related to the disposition of any matter referred by the ASC or any other federal agency or instrumentality or federally recognized entity. | On October 1, 2018, the State provided draft language to bring the statute into compliance and proposed to amend the statute during the 2019 legislative session. | The State must continue the process to amend the statute to bring it into compliance and provide the ASC staff with a copy once finalized. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 8. |

ASC State AMC Program Compliance Review Report

ASC Finding: Good
Final Report Issue Date: October 31, 2018

Arizona AMC Regulatory Program (State)

| | | | |
|------------------------------------------------------------------------------------------------|----------------|------------------------------------------------|----------------------------------------|
| State Board Title: N/A | PM: V. Metcalf | ASC Compliance Review Date: August 28-30, 2018 | Review Period: June 2016 - August 2018 |
| Umbrella Agency: Licensing and Consumer Affairs Division, Department of Financial Institutions | | Number of AMCs on National Registry: 0 | 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 | | X | | | | | |
| Participating States must establish and maintain an AMC Program with the legal authority and mechanisms consistent with the AMC Rule. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 - 323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.) | | | | An AMC that is a subsidiary owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency shall not be required to register with a State. The State does not exempt AMCs that are subsidiaries of the Federal financial institutions from State registration. | On October 1, 2018, the State provided draft language and proposed to amend the statute during the 2019 legislative session. | The State must amend the proposed statutory language which exempts AMCs that are a department or unit within a financial institution but does not exempt AMCs that are a subsidiary owned and controlled by a financial institution. The State must continue the process to amend the statute to bring it into compliance and provide the ASC staff with a copy once finalized. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 8. |
| National Registry: | X | | | No compliance issues noted. | N/A | None | None |
| Enforcement: | X | | | No compliance issues noted. | N/A | None | None |

■ ■ ■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

January 17, 2019

Mr. James S. Martin, Bureau Chief
Bureau of Real Estate Appraisers
1102 Q Street, Suite 4100
Sacramento, CA 95811

RE: ASC Compliance Review of California's Appraisal Management Company (AMC)
Regulatory Program

Dear Mr. Martin:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the California AMC regulatory program (AMC Program) on October 2-5, 2018, to determine the AMC 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 AMC Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) is attached.

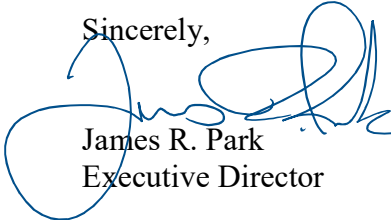
The ASC identified the following area of non-compliance:

- Participating States must enforce and document ownership limitations for State-registered AMCs.¹

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. California will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



James R. Park
Executive Director

Attachment

cc: Mr. Aaron Klinger, Deputy Bureau Chief, Enforcement
Ms. Loretta Dillon, Deputy Bureau Chief

¹ 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8..

ASC Finding Descriptions

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

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

ASC State AMC Program Compliance Review Report

ASC Finding: Good
 Final Report Issue Date: January 17, 2019

California AMC Regulatory Program (State)

| | | | |
|-----------------------------------------------------------------------------------------------|--------------------|-----------------------------------------------|---------------------------------------------|
| State Board Title (Board) N/A | PM: N. Fenochietti | ASC Compliance Review Date: October 2-5, 2018 | Review Period: October 2016 to October 2018 |
| Umbrella Agency: Department of Consumer Affairs, Bureau of Real Estate Appraisers/Independent | | Number of AMCs on National Registry: 000 | 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 | | | | | |
| Participating States must enforce and document ownership limitations for State-registered AMCs. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.) | | | | An AMC shall not be registered or included on the AMC National Registry if such AMC, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for a substantive cause. The State limits the requirement to owners of 10% or more. | On December 17, 2018, the State reported that the Bureau is seeking a regulatory proposal to add the substance from 12 CFR 34.214(a) into its regulations. | The State must continue the process of amending its regulations to reflect what is required in Title XI. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 8. |
| National Registry: | X | | | | | | |
| | | | | No compliance issues noted. | N/A | None | None |
| Enforcement: | X | | | | | | |
| | | | | No compliance issues noted. | N/A | None | None |

■ ■ ■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

December 4, 2018

Ms. Jessica Looman, Commissioner
Minnesota Department of Commerce
85 – 7th Place East, Suite 280
St. Paul, MN 55101

RE: ASC Compliance Review of Minnesota’s Appraisal Management Company (AMC)
Regulatory Program

Dear Ms. Looman:

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

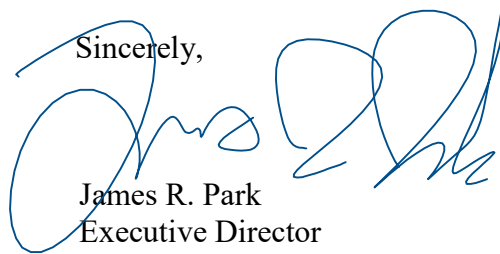
The ASC considered the preliminary results of the Review and the State’s response to those results. The AMC Program has been awarded an ASC Finding of “Good.” The final ASC Compliance Review Report (Report) is attached.

The ASC identified the following areas of non-compliance:

- Participating States must establish and maintain an AMC Program with the legal authority and mechanisms consistent with the AMC Rule;¹
- Participating States must impose requirements on AMCs consistent with the AMC Rule;² and
- Participating States must enforce and document ownership limitations for State-registered AMCs.³

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Minnesota will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,

James R. Park
Executive Director

Attachment

cc: Ms. Anne O'Connor, Deputy Commissioner/Chief of Staff
Mr. Peter Brickwedde, Assistant Commissioner
Mr. Martin Fleischhacker, Assistant Commissioner
Mr. Peter Bratsch, Licensing Director
Ms. Jacqueline Olson, Audit Director
Mr. Sheldon Klugman, Internal Controls Director

¹ 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

² 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

³ 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

ASC Finding Descriptions

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

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

ASC State AMC Program Compliance Review Report

ASC Finding: Good
Final Report Issue Date: December 4, 2018

| | | |
|--------------------------------------------------------------------------|----------------|---------------------------------------------------|
| Minnesota AMC Regulatory Program (State) | | |
| State Board Title (Board): N/A | PM: J. Tidwell | ASC Compliance Review Date: September 11-13, 2018 |
| Umbrella Agency: Minnesota Department of Commerce | | Number of AMCs on National Registry: 0 |
| Review Period: September 2016 - September 2018 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 | | | | | |
| Participating States must establish and maintain an AMC Program with the legal authority and mechanisms consistent with the AMC Rule. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.) | | | | An AMC that is a subsidiary owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency shall not be required to register with a State. The State does not adequately include this exemption. | On November 8, 2018, the State reported that this requirement will be shared with the incoming Administration and Legislature to examine for potential changes to current Minnesota law. | The State must amend its Statute to bring it into compliance with Title XI and ASC Policy Statement 8 and provide the ASC staff with a copy once finalized. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 8. |
| Statutes, Regulations, Policies and Procedures continued: | | X | | | | | |
| Participating States must impose requirements on AMCs consistent with the AMC Rule. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.) | | | | An AMC must notify appraisers on its appraiser panel, before their removal from the panel. The State allows AMCs to remove an appraiser from the panel without notice within 30 days from the date the appraiser is initially added to the panel. | On November 8, 2018, the State reported that this requirement will be shared with the incoming Administration and Legislature to examine for potential changes to current Minnesota law. | The State must amend its Statute to bring it into compliance with Title XI and ASC Policy Statement 8 and provide the ASC staff with a copy once finalized. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 8. |
| Statutes, Regulations, Policies and Procedures continued: | | X | | | | | |
| Participating States must enforce and document ownership limitations for State-registered AMCs. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.) | | | | An AMC shall not be registered or included on the AMC National Registry if such AMC, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for a substantive cause. The State limits the requirement to owners of 10% or more. | On November 8, 2018, the State reported that this requirement will be shared with the incoming Administration and Legislature to examine for potential changes to current Minnesota law. | The State must amend its Statute to bring it into compliance with Title XI and ASC Policy Statement 8 and provide the ASC staff with a copy once finalized. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 8. |

ASC State AMC Program Compliance Review Report

ASC Finding: Good
 Final Report Issue Date: December 4, 2018

Minnesota AMC Regulatory Program (State)
 State Board Title (Board): N/A PM: J. Tidwell ASC Compliance Review Date: September 11-13, 2018 Review Period: September 2016 - September 2018
 Umbrella Agency: Minnesota Department of Commerce Number of AMCs on National Registry: 0 Review Cycle: Two Year

| Applicable Federal Citations | Compliance (YES/NO) Areas of Concern (AC) | | | ASC Staff Observations | State Response | Required/Recommended State Actions | General Comments |
|------------------------------|----------------------------------------------|----|----|-----------------------------|----------------|------------------------------------|------------------|
| | YES | NO | AC | | | | |
| National Registry: | X | | | No compliance issues noted. | N/A | None | None |
| Enforcement: | X | | | No compliance issues noted. | N/A | None | None |



istock/cnythzl

A new proposal to reduce the number of homes requiring in-person appraisals could save home buyers and those attempting to refinance hundreds of dollars, and speed up the process. This may sound like a well-timed holiday blessing, but appraisers who would be affected by the change say it could also pose all sorts of problems.

The plan would require human appraisals only for purchases of homes costing \$400,000 and up. The current threshold is \$250,000. It's likely that automated evaluations would take their stead. This is significant because it would be the first increase since 1994, when median home prices hovered around \$130,000, according to the Federal Reserve Bank of St. Louis. They've now more than doubled, to a median \$295,000, according to the most recent [realtor.com](https://www.realtor.com)® data.

The proposal was developed by the Federal Deposit Insurance Corp., the Board of Governors of the Federal Reserve System, and the Office of the Comptroller of the Currency. It could take months, if not years, to be approved.

Related Articles

- [In-Person Home Appraisals Won't Be Required for Some Loans: Should You Get One Anyway?](#)
- [How a Home Appraisal Can Make or Break Your Mortgage](#)
- [6 Home Appraisal Myths You Need to Stop Believing Immediately](#)

If approved, it could save buyers and homeowners attempting to refinance about \$500, which is the average cost of an in-person appraisal. Skipping the appraisal visit would also likely lead to quicker closings.

The proposal "could provide meaningful burden relief from the appraisal requirements, without posing a threat to the safety and soundness of financial institutions," said a press release issued by the FDIC. The agency did not respond to requests for comment.

But it would not apply to loans sold or guaranteed by the U.S. government. They include Federal Housing Administration, Department of Housing and Urban Development, and Department of Veterans Affairs mortgages as well as those guaranteed by Fannie Mae and Freddie Mac.

In addition, individual lenders who don't use the government programs could still ask for in-person appraisals.

What are the downsides to fewer in-person appraisals?

The problem is, these nonhuman appraisals are not as reliable, says New York City–based real estate appraiser **Jonathan Miller**, who works nationwide.

"Automated valuation models are when you throw a lot of data in the hopper and flip the switch; it churns, and it spits out a value," says Miller. "[But] the problem with that is AVMs are wildly inaccurate."

That's because these programs don't know if sellers have a meth lab or 100 cats in their home, or if they are hoarders—all of which can drag the value way down.

Mortgage lenders are similarly skeptical.

"If I'm lending \$400,000 I would absolutely require an [in-person] appraisal," says **Richard Bettencourt**, president at National Association of Mortgage Brokers. "I want to make sure the structure's there."

And if homeowners have kept their properties in tiptop condition, these models can overestimate how much these homes will fetch on the open market. That sets unreasonable expectations for the sellers, who will be reluctant to part with their properties at a lower price, leading them to sit on the market even longer.

"They get anchored by the wrong number, and they live and die by it," says Miller.

And while in some cases sellers may get more than their homes are worth or buyers may get a real deal, in other cases they might lose out.

"If the number is wrong, then there's a winner and a loser," says Miller.

Clare Trapasso is the senior news editor of [realtor.com](https://www.realtor.com) and an adjunct journalism professor at St. John's University. She previously wrote for a Financial Times publication, the New York Daily News, and the Associated Press. She is also a licensed real estate agent with R New York. Contact her at clare.trapasso@realtor.com. [Follow @claretrap](#)

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Plan to Reduce Human Appraisals May Lead to 'Wildly Inaccurate' Estimates

November 26, 2018

Federal agencies have proposed a plan to reduce the number of homes that require an in-person appraisal, hoping to speed up the closing process and save money for home buyers and borrowers looking to refinance. Under the proposal, which was developed by the Federal Deposit Insurance Corp., the Board of Governors of the Federal Reserve System, and the Office of the Comptroller of the Currency, in-person appraisals would be necessary only for homes valued at \$400,000 or more. Currently, that threshold is \$250,000.



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place of in-person appraisals for qualifying properties—a move appraisers warn could lead to inaccurate estimates and more sellers who are unrealistic about home value. Automated evaluations “provide an estimate of the market value of real estate but could be less burdensome than appraisals because the FDIC’s appraisal regulations do not require evaluations to be prepared by state-licensed or certified appraisers,” the agency said in a statement. “In addition, evaluations are typically less detailed and costly than appraisals.” Such evaluations have been required for transactions exempted from the appraisal requirement since the 1990s.

The plan would not apply to government-backed loans through agencies such as the Federal Housing Administration, Department of Veterans Affairs, or Fannie Mae and Freddie Mac, which have established their own appraisal rules and standards.

Buyers and homeowners who are refinancing could save an estimated \$500 by forgoing an in-person appraisal. However, appraisers say automated appraisals are unreliable. “Automated valuation models are when you throw a lot of data in the hopper and flip the switch; it churns, and it spits out a value,” Jonathan Miller, president and CEO of New York–based appraisal firm Miller Samuel Inc., told [realtor.com®](#). The problem, he says, is that AVMs don’t account for property condition, which lead to “wildly inaccurate” estimates.

Source: “Fewer Homes May Require Human Appraisals, but That May Not Be a Good Thing,” [realtor.com®](#) (Nov. 21, 2018) and Federal Deposit Insurance Corp.



5 Comments



TO: All Interested Parties

FROM: John S. Brenan
Director of Appraisal Issues

RE: White Paper: *Requests for Reconsiderations*

DATE: November 26, 2018

Issue

For as long as there have been appraisals, there have been clients and other users of appraisal services asking appraisers, on occasion, to reconsider a completed appraisal. As with virtually everything, some such requests are more valid and reasonable than others. Nevertheless, across the country, appraisers continue to receive requests for reconsiderations on a daily basis. It is not the intent of this paper to either champion or demonize such requests; rather, the intent is to recognize that such requests exist, and to examine ways that might ease common stress points inherent in the process.

One factor that complicates requests for revisions is that there are no consistent industrywide policies, guidelines, or forms related to this process. Furthermore, over recent years there have been changes in statute and policy with respect to appraiser independence obligations, which has resulted in some confusion among users of appraisal services (and appraisers) as to exactly what may be asked and provided in such requests.

It is important to distinguish these requests from a request to make corrections or address errors or inadequate information in an appraisal report. As stated in the *Uniform Standards of Professional Appraisal Practice (USPAP)*, **"perfection is impossible to attain."** Therefore, every appraiser either has produced (or will produce) an appraisal report containing at least one typographical error, omission, etc. in their career. This paper does not address requests for corrections.

This paper is intended to provide information to assist appraisers, users of appraisal services, and others, with a greater awareness and understanding of issues surrounding the reconsideration process and offer some suggestions for those who wish to build a more relationship-driven and consistent method.

Background

As mentioned above, reconsideration requests are nothing new, and many of the current processes in place have, on occasion, resulted in frustration among the parties. So how do we move forward with a process that accomplishes its intended purpose, but does not create uneasiness between the parties?

First, let's examine the past. Appraisers have shared stories about receiving requests for corrections or clarification from a loan processor or underwriter, only to find the information already contained in the appraisal report. Many appraisers have shared a common response to such inquiries: **"Have you actually *read* my report?"**

Some appraisers also say there have been times where **they've received a** reconsideration request that consisted of nothing other than a printout of many sales in the area, occasionally including some of the same sales that the appraiser used as comparable sales in the appraisal report in question. Others have **related tales of being "pressured" to use sales that are less comparable** in the hope of being able to support a different value.

This narrative is not intended to give a black eye to users of appraisal services (in fact, appraisers have also shared very *positive* stories related to reconsideration requests as well). And there are also cases where users of appraisal services have shared negative reactions by appraisers to valid reconsideration requests. One example involved a user of appraisal services contacting an appraiser to let them know a reconsideration request was forthcoming, only to have the appraiser **respond by saying, "Do you know I can have you arrested for that?"** Indeed, there have been misunderstandings by all parties, as understanding exactly what is and is not permitted under Dodd-Frank and other policies has proven to be a challenge.

It is true that once an appraisal has been completed, most appraisers hope **they don't see or hear** about that appraisal again. Competent and ethical professional appraisers should not get defensive when receiving a valid reconsideration request, but it does happen, just as some doctors may react negatively when patients seek a second opinion. Being a professional means being remaining open- **minded to questions about what you've done (or have not done).**

Understanding the friction points and why they occur is important if there is to be an effective process. And if both appraisers and users of appraisal services appreciate that that they are partners, not adversaries, all the better.

Finding Common Understanding

Some appraisers believe (whether true or not) that some users of appraisal services do not fully understand what an appraiser can and cannot do. Briefly, USPAP:

- Requires an appraiser to be independent, impartial, and objective;
- Requires an appraiser to perform assignments without bias; and
- Prohibits an appraiser from accepting an assignment that includes the reporting of predetermined opinions and conclusions.

On the other hand, some users of appraisal services believe (whether true or not) that some appraisers do not fully understand what they *can* be asked to do after completion of an appraisal. The Dodd-Frank Act of 2010 included some important provisions to protect appraiser independence. And that same law included specific exceptions that do not constitute a violation of appraiser independence, including asking an appraiser to:

- Consider additional, appropriate property information, including the consideration of additional comparable properties to make or support an appraisal;
- **Provide further detail, substantiation, or explanation for the appraiser's value conclusion; or**
- Correct errors in the appraisal report.

Understanding what may and may not be asked of an appraiser is foundational to an effective process.

Potential Best Practices

Given past history and understanding what is and is not allowed, where do we go from here? Obviously, it would be ideal if there was one consistent process that both appraisers and users of appraisal services could agree upon. Since that does not currently exist, perhaps a set of voluntary best practices developed and agreed to by all parties would be the next best thing. Some important pieces to consider might include:

- Strict adherence to appraiser independence requirements.
- Strict adherence to USPAP requirements.
- Use of a common form or format that provides all of the necessary information for a proper reconsideration request, including the requesting entity, the source of the information the appraiser is to consider, all appropriate contact information, etc.
- Implementing certain practices, such as:
 - Establishing timeframes under which a user of appraisal services could request a reconsideration.
 - Establishing timeframes under which an appraiser should respond to a reconsideration request.
 - A limitation on the number of requests that could be requested for any particular appraisal.
 - Requests should contain only factual information, not personal opinions or preferences.
 - A limitation on the number of additional sales for the appraiser to consider.
 - Requests should include only sales that closed prior to the effective date of the appraisal report.
 - Requests should include appropriate *rationale* for the selection of sales submitted (e.g., proximity to the subject property, similarity in physical characteristics, recent date of sale, etc.) Submitting sales solely because they sold for higher prices would not be an acceptable rationale.

Conclusion

Today, many reconsideration requests are a source of apprehension for both appraisers and users of appraisal services. While this paper is not intended to be the single source of information on this topic, it is the hope of The Appraisal Foundation that it may be a starting point for discussion between parties to find ways to address the issues that exist today. Reconsideration requests are unlikely to go away any time soon; therefore, it benefits everyone to try and make the process as effective as possible.

From: The Appraisal Foundation <info@appraisalfoundation.org>
Sent: Thursday, January 24, 2019 10:07 AM
To: Lori L. Schuster
Subject: PRESS RELEASE: First-Time Appraisal Test Takers Increased 23 Percent in 2018



Media Contact:
David Greer
Director of Communications
The Appraisal Foundation
dgreer@appraisalfoundation.org
direct phone 202.624.3048

First-Time Appraisal Test Takers Increased 23 Percent in 2018

First-Time Millennial Test Takers Increased 200 Percent

(Washington, DC) January 24, 2019 – The number of individuals sitting for the first time for one of the three National Uniform Licensing and Certification Exams increased significantly, with the number of Millennial test takers experiencing the steepest rise among all age groups in 2018, according to data prepared exclusively for The Appraisal Foundation by PSI Services, LLC.

1,459 individuals sat for the first time for one of three appraisal exams—Certified General, Certified Residential and Licensed Residential—in 2018, which was a 23 percent increase over the 1,172 first-time test takers who sat in 2017.

“The strong growth in individuals sitting for the appraisal exam for the first time is an extremely positive and welcome development,” said Appraiser Qualifications Board Chair Mark A. Lewis, whose board creates and oversees administration of the test.

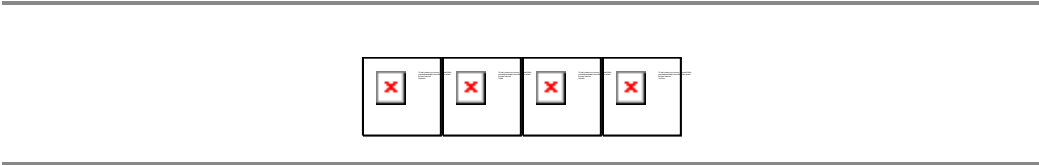
The 2018 number is the highest since 2014 when 2,630 first-time test takers sat for the exam before more stringent qualification criteria took effect in 2015. This number was considered an inflated outlier because people were rushing to take the exam.

Equal in importance to the overall increase of first-time test takers was the spike among those who are 35 years old and younger taking the test for the first time. In 2018, 588 Millennials sat for one of the three exams, which was a more than 200 percent increase over 2017 when 194 Millennials sat for the exam.

“While the appraisal profession is often viewed as a second career choice, these numbers demonstrate that young people also view the profession as an early career choice,” said Vice President of Appraisal Services John Brenan. “New people entering any profession are its life blood, but it is especially heartening to know that the appraisal profession is reaching a new generation, which reflects extremely well on the continued growth of the profession.”

The results are only for those who have taken one of the three appraisal exams, and do not indicate whether the individuals became a professional appraiser. While individuals can take the test more than once, the first-time test takers are generally considered a better guide to newer entrants into the profession.

—End—



About The Appraisal Foundation

The Appraisal Foundation is the nation's foremost authority on the valuation profession. The organization sets the Congressionally-authorized standards and qualifications for real estate appraisers, and provides voluntary guidance on recognized valuation methods and techniques for all valuation professionals. This work advances the profession by ensuring appraisals are independent, consistent, and objective. More information on The Appraisal Foundation is available at www.appraisalfoundation.org.

Manage Your Subscription

This message was sent to lori@asc.gov from info@appraisalfoundation.org

The Appraisal Foundation
Paula Douglas Seidel
1155 15th Street NW Ste 1111
Washington, DC 20005



**APPRAISAL SUBCOMMITTEE
OPEN SESSION SPECIAL MEETING MINUTES
APRIL 23, 2018**

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

ATTENDEES

ASC MEMBERS: FRB – Art Lindo (Chair)
BCFP – Veronica Spicer
FDIC – Marianne Hatheway
FHFA – Bob Witt
HUD – Cheryl Walker
NCUA – Tim Segerson
OCC – Richard Taft

ASC STAFF: Executive Director – Jim Park
General Counsel – Alice Ritter
Financial Manager – Girard Hull
Attorney-Advisor – Ada Bohorfoush
Policy Manager – Claire Brooks
Policy Manager – Kristi Klamet
Policy Manager – Vicki Ledbetter-Metcalf
Management and Program Analyst – Lori Schuster
Administrative Officer – Brian Kelly

OBSERVERS: See Attachment

The Special Meeting was called to order at 10:15 a.m. by A. Lindo.

ACTION ITEM

- **TriStar Bank Temporary Waiver Request**

A. Lindo welcomed observers and acknowledged Ted Williams, President and CEO, of TriStar Bank, and Greg Gonzales, Commissioner of the Tennessee Department of Financial Institutions. A. Lindo noted that the purpose of the Special Meeting is to consider the temporary waiver request filed by TriStar Bank (Requester or TriStar). A. Lindo summarized that in order to grant a temporary waiver, the Board would have to make a determination that two conditions exist: (1) a scarcity of credentialed appraisers in a State, or in any geographical political subdivision of a State; and (2) that the scarcity is leading to significant delays in obtaining appraisals for federally related transactions. ASC staff prepared an analysis based on data provided by TriStar and the Tennessee Real Estate

Appraisers Commission (TN REAC), as well as information regarding commercial real estate transactions in the four counties targeted in the temporary waiver request. The original request from Tristar referred to the Nashville, TN Metropolitan Statistical Area; TriStar did later clarify the request covered Davidson, Dickson, Maury and Williamson counties. J. Park noted that Section 1119 of Title XI grants the ASC authority to waive any requirement relating to appraiser credentialing, but it does not grant the ASC authority to waive requirements to obtain an appraisal. J. Park presented the staff analysis. A. Lindo requested that staff analysis be attached to the minutes. A. Lindo provided Mr. Williams of TriStar the opportunity to address the Board. Mr. Williams summarized his request and urged all concerned parties to come together to improve lending to clients in the growing market.

A. Lindo requested that the ASC first address the scarcity issue. R. Taft said he evaluated the data provided by TriStar as well as data from the ASC's Appraiser Registry. He noted there are appraisers in neighboring counties who may also work in the four named counties. He also noted there are approximately 150 appraisers in the four counties. R. Taft further commented that in reviewing the turnaround time for appraisals, it appears the average was 22 days in 2013 and 32 days in 2017. He noted if the median was used, it would only be an increase of five days. R. Taft said no information was provided regarding TriStar's panel size and whether it changed between 2013-2017, though it appeared that only three appraisers were utilized for most appraisal assignments. M. Hatheway noted that the regulatory agencies recently reviewed regulations regarding appraisal thresholds and she noted that the thresholds for certain commercial transactions was recently increased. She added that using a median to determine the turnaround time was preferred as there were outliers that skewed the average. She stated an increase of five days is not a significant delay in an active market. V. Spicer was in agreement with M. Hatheway and R. Taft. The comment letter from K. McGuigan explained the delay on one appraisal and the change to a developer's plan was the cause for the other appraisal report delay. The letter also listed ten appraisals he completed for TriStar that had a median of 24-25 days. B. Witt noted that the waiver request stems from demand which does not equal scarcity. R. Taft said in reviewing formal comment letters, he read letters from Tennessee appraisers in the four counties listed in the waiver request; there were 50 comments from Tennessee appraisers in total and none felt there was a shortage of appraisers in Tennessee. He noted there were also approximately 100 comments received prior to formal comment; 17 were from Certified General appraisers in the affected area and none felt there was a scarcity of appraisers. R. Taft added that several appraisers said that they had contacted TriStar to be added to the appraiser roster.

A. Lindo thanked members for their comments and requested a vote on the temporary waiver request. In regard to TriStar's temporary waiver request pursuant to Section 1119 of Title XI, he asked members if TriStar's request and information submitted to the ASC supports a finding that there is a scarcity of appraisers that has resulted in a significant delay in the delivery times for appraisals. The vote was 7-0 to deny the temporary waiver request for TriStar. A. Lindo directed A. Ritter to draft a Final Order denying temporary

waiver relief for TriStar Bank to be published in the *Federal Register*. A. Lindo said that, during the course of the ASC's review, there are other options available to TriStar for appraisal services. Suggestions from the ASC members included: TriStar working with the State Appraiser Program, State Banking Commission and the appraiser community to increase its roster size, and using the ASC's Appraiser Registry to locate appraisers in the geographical area. R. Taft said that the ASC could schedule a follow-up meeting with TriStar and TN REAC in the future to see if the issues have been resolved. M. Hatheway added that there could be a scarcity of appraisers in some parts of the country, so temporary waivers may be supportable in those areas. A. Lindo reiterated that the two criteria of any waiver request would need to be met.

The Open Session adjourned at 11:00 a.m. The next ASC Meeting will be May 9, 2018.

Attachments: Observer List
ASC Staff Analysis

ASC Meeting Attendees

April 23, 2018

| Affiliation | Name |
|------------------------------------------------------|----------------------|
| American Society of Appraisers | John Russell |
| American Guild of Appraisers | Leo Regensberger |
| American Guild of Appraisers | Robert O'Brien |
| American Society of Farm Managers & Rural Appraisers | Stephen Frerichs |
| Appraisal Foundation | Kelly Davids |
| Appraisal Institute | Bill Garber |
| Appraisal Institute | Brian Rodgers |
| Appraise Metro DC | John Osipchak |
| Bureau of Consumer Financial Protection | Deana Krumhansl |
| Clarocity Corporation | Ernie Durbin |
| Conference of State Bank Supervisors | Mary Beth Quist |
| Conference of State Bank Supervisors | Dan Schwartz |
| Conference of State Bank Supervisors | Alisha Sears |
| Federal Deposit Insurance Corporation | Michael Briggs |
| Federal Deposit Insurance Corporation | Suzy Gardner |
| Federal Deposit Insurance Corporation | Ben Gibbs |
| Federal Deposit Insurance Corporation | Lauren Whitaker |
| Federal Deposit Insurance Corporation | Tony Womack |
| Federal Housing Finance Agency | Ming-Yuen Meyer-Fong |
| Federal Reserve Board | Gillian Burgess |
| Federal Reserve Board | Carmen Holly |
| Federal Reserve Board | Matt Suntag |
| Independent Community Bankers of America | James Kendrick |
| National Association of Realtors | Sehar Siddiqi |
| Office of the Comptroller of the Currency | John Binkley |
| Office of the Comptroller of the Currency | Joanne Phillips |
| Ohio Coalition of Appraisers | Charles Gress |
| Real Estate Analysts | S. Todd Rogers |
| Real Estate Valuation Advocacy Association | Mark Schiffman |
| Tennessee Bankers Association | Colin Barrett |
| Tennessee Department of Financial Institutions | Greg Gonzales |
| Tennessee Real Estate Appraisers Commission | Randy Thomas |
| TriStar Bank | Ted Williams |
| Virginia Coalition of Appraiser Professionals | Andy Watkins |
| Woodbridge Appraisal Service | Gary Denny |

■ ■ ■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

TO: Appraisal Subcommittee

FROM: Jim Park

DATE: April 17, 2018

RE: ASC Special Meeting: TriStar Bank Temporary Waiver Request

Pursuant to §1119, Title XI FIRREA, TriStar Bank, a state-chartered bank located in Dickson, Tennessee (Requester or TriStar) is requesting a one-year waiver of the “appraisal regulation’s requirements to utilize a certified appraiser for loan requests” for Dickson, Maury, Williamson, and Davidson counties Tennessee.

TriStar Request and Data

- Requester states that due to demand, TriStar is having a difficult time receiving appraisals in a reasonable amount of time. The Requester further states the shortage of appraisers, time delay and added cost is negatively impacting clients.
- Requester provided data to support the claim of an appraiser scarcity. Appraisal and evaluation data were combined in the submission and have been separated as best we can for analysis.
- The data includes a few appraisals in counties other than the four which are part of the waiver request.
- The counties for some of the appraisals/evaluations were not identified.

Summary of Requester’s Data

- Staff analysis of the Requester’s data is provided in Table A, *Summary of Requester’s Data*.
- The counties for some of the appraisals and evaluations were not identified.
- It is unknown if data provided for 2013 and 2017 represents all loan applications, closed loans or some other unidentified subset of transactions.
- No reason is given for selecting these two years or why the intervening years’ data was not included.
- Table B summarizes the change in median value per appraisal and evaluation for the submitted years.

TABLE A, Summary of Requester's Data

| Delivery and Fees | 2013 | | | 2017 | | | % Change | |
|-------------------|--------|------------------------|------------|--------|------------------------|------------|------------------------|------------|
| | Orders | Median Days to Deliver | Median Fee | Orders | Median Days to Deliver | Median Fee | Median Days to Deliver | Median Fee |
| Res. evaluations | 91 | 11 | \$270 | 36 | 13 | \$292 | +18% | +8% |
| CRE evaluations | 27 | 10 | \$669 | 3 | 22 | \$933 | +120% | +39% |
| Res. appraisals | 47 | 9 | \$382 | 94 | 15 | \$395 | +67% | +3% |
| CRE appraisals | 6 | 22 | \$2,088 | 15 | 25* | \$2240 | +14% | +7% |

* CRE appraisal median days to deliver controlled for atypical delays as explained in the McGuigan comment letter dated April 6, 2018.

TABLE B

| Change in Median Value | 2013 | 2017 | % Change |
|-------------------------|-----------|-------------|----------|
| Residential evaluations | \$143,212 | \$181,539 | 27% |
| CRE evaluations | \$334,184 | \$383,667 | 15% |
| Residential appraisals | \$253,785 | \$358,696 | 41% |
| CRE appraisals | \$614,126 | \$1,220,693 | 99% |

Staff analysis:

Days to deliver and fees (2013 – 2017)

- Residential evaluations
 - Orders dropped by 60%.
 - Delivery time and fees remained relatively stable.
 - Median value increased 27%.
- CRE evaluations
 - Orders dropped 89%.
 - Delivery time increased 120% and fees increased almost 40%. However, only three CRE evaluations were ordered in 2017 which could skew the statistics.
 - Median value remained relatively stable.
- Residential appraisals
 - Orders increased by 100%.
 - Delivery time increased 67% and fees remained stable.
 - Median value increased 41%.
- CRE appraisals
 - Orders increased by 150%.
 - Delivery time and fees increased nominally.
 - Median value increased 99%.

Summary of Requester's Data

- Requester used Certified appraisers to provide both evaluations and appraisals.
- No details were provided on the Requester's fee panel size or how appraisers are qualified for the panel or selected for individual appraisal and evaluation assignments.
- There is no evidence that TriStar has been adding additional appraisers to their panel. Several appraisers credentialed in Tennessee responded to the ASC request for comments

stating they have contacted TriStar offering to perform appraisals/evaluations for the bank, but have not been assigned any appraisals or evaluations to date.

- Requester’s book of lending business appears to have diversified into more counties and higher value and more complex properties.

Summary of Tennessee Real Estate Appraiser Commission (TN REAC) Response

- TN REAC letter asserts no shortage of appraisers currently exists to service the four counties and provides the following to support their conclusions:
 - Tennessee has 836 Certified General appraisers.
 - 174 Certified General appraisers are residents in the four counties and the directly surrounding area.

National Registry Data

- Table C reflects the number of licensed and certified appraisers in Tennessee based on the information collected during the last three ASC Compliance Reviews (2013, 2015 and 2017).
- The March 2018 figures were obtained from the National Registry.
- Since 2013, the number of licensed and certified appraisers has increased in Tennessee from 1,840 to 1,930 (+5%). The number of Certified General appraisers (subject of the requested waiver) has increased from 730 to 862 (+18%).

Table C

| Date | Licensed | Certified Residential | Certified General | Total | Trainees |
|--------------|----------|-----------------------|-------------------|-------|----------|
| January 2013 | 131 | 979 | 730 | 1,840 | Unknown |
| January 2015 | 121 | 965 | 800 | 1,886 | 225 |
| January 2017 | 117 | 986 | 846 | 1,949 | 225 |
| March 2018 | 130 | 960 | 862 | 1,930 | Unknown |

- Table D shows the current National Registry data in the four counties that are the subject of the temporary waiver request.
- The National Registry is not historic, so we are unable to search past data.

Table D

| Appraiser Credentials | Dickson | Maury | Williamson | Davidson | Totals |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| | <i>2017</i> | <i>2017</i> | <i>2017</i> | <i>2017</i> | <i>2017</i> |
| Licensed | 0 | 1 | 4 | 9 | 14 |
| CR | 7 | 14 | 58 | 92 | 171 |
| CG | 5 | 8 | 45 | 68 | 126 |
| Totals | 12 | 23 | 107 | 169 | 311 |

Staff analysis:

- There are more Certified General appraisers in Tennessee today than in 2013.
- National Registry data supports the data provided by the TN REAC.
- National Registry data does not support Requester’s claim of only one Certified General appraiser in Dickson County.

CRE Transactions

CoStar provided the following information regarding CRE transactions in the counties targeted in the temporary waiver request:

Table E

| County | 2013 | 2017 | % Change |
|---------------|-------------|--------------|-----------------|
| Dickson | 23 | 31 | +35% |
| Maury | 48 | 99 | +106% |
| Williamson | 143 | 123 | -14% |
| Davidson | 601 | 788 | +31% |
| Totals | 815 | 1,041 | +28% |

Summary of Comments

- 166 comments were received during the 30-day Notice and Comment period. The following is a general breakdown of the commenters:
 - TN REAC
 - Fifty Tennessee appraisers
 - Two local Realtor associations
 - Tennessee Appraisers Coalition
 - 11 appraiser associations outside of Tennessee
 - Three appraiser associations within Tennessee
 - Appraisal Foundation
 - Tennessee Bankers Association
 - National Association of Realtors
 - American Bankers Association
 - Association of Appraiser Regulatory Officials
 - Conference of State Bank Supervisors
 - Numerous out of State appraisers, appraiser associations and coalitions.
- Vast majority of comments were opposed to the temporary waiver request.
- Supporting data submitted by Requester is not supported by the TN Commission or National Registry data.
- Costar reports 1,041 CRE transactions in 2017. This equates to six appraisal or evaluation orders per certified general appraisers in the four and immediately surrounding counties.
- Requester reported 148 valuations in 2017 which equates to fewer than one assignment per year for the certified general appraisers in the immediate area.

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
MAY 9, 2018**

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

ATTENDEES

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

ASC STAFF: Executive Director – Jim Park
Deputy Executive Director – Denise Graves
General Counsel – Alice Ritter
Financial Manager – Girard Hull
Attorney-Advisor – Ada Bohorfoush
Management and Program Analyst – Lori Schuster

OBSERVERS: CFPB – Deana Krumhansl
FDIC – Michael Briggs
FDIC – Rich Foley
FDIC – Suzy Gardner
FDIC – Ben Gibbs
FRB – Gillian Burgess
FRB – Carmen Holly
FRB – Matt Suntag
OCC – Will Binkley
OCC – Stacey Fluellen
REVAA – Tom Tilton

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

REPORTS

- **Chairman**

A. Lindo welcomed observers to the Meeting.

- **Executive Director**

J. Park updated the ASC on recent staff activities.

- He and D. Graves attended the Appraisal Standards Board (ASB) Meeting in Las Vegas. Discussion included proposed changes to the 2020-21 edition of USPAP. Changes include a proposal to eliminate the Restricted Appraisal Report and leave one reporting option (Appraisal Report) that is controlled by minimum requirements but otherwise open to the needs of the client. The ASB started livestreaming its meetings which has increased participation. R. Taft asked if an Exposure Draft would be sent out regarding the proposed changes to the 2020-21 USPAP. J. Park responded that the Exposure Draft will be distributed by the end of May
- ASC staff attended the Appraiser Qualifications Board (AQB) Meeting and Association of Appraiser Regulatory Officials (AARO) Conference in Seattle May 4-6. The AQB Meeting focused on Criteria changes that went into effect on May 1st. As the required hours for experience was lowered, it is unknown how many States will revise their statutes/regulations to match the Criteria. If some States revise their regulations/statutes to match the new Criteria requirements and other States do not, it may lead to reciprocity issues. D. Graves noted that several States said they would accept, for reciprocal purposes, appraisers from States that are following the revised Criteria. Another topic discussed was the AQB's development of "Practical Applications in Real Estate Appraisal." This would help trainees in rural areas gain experience using virtual technology.

The AARO Conference included a presentation on the recent AQB Criteria changes as well as implementation of the AMC Registry. There was also discussion on temporary waiver requests and how the waivers could affect the economy and States' regulatory systems.

- J. Park said that ASC staff has delayed the opening of the AMC Registry to July 16th to allow staff additional time to work on the invoicing portion of the program. The Revised Policy Statements were published in the *Federal Register* on March 5th and States have been receptive to the changes. Thirty-eight States are using the Unique Identifier Program and so far no State has said they would not use the Program. Seven States are using the SOAP system to upload data files to the Appraiser Registry and several other States are in development to switch to SOAP.
- **Delegated State Compliance Reviews**

D. Graves reported on State Compliance Reviews completed pursuant to delegated authority since the ASC's February 14th Meeting. One State Compliance Review was finalized and approved by the Executive Director under delegated authority and one was finalized and approved by the Chairman under delegated authority. Maryland was awarded a Finding of "Excellent" and will remain on a two-year Review Cycle. Illinois was awarded a Finding of "Needs Improvement" and will remain on a two-year Review Cycle. R. Taft asked how ASC staff determines when a more strongly worded letter needs to be sent to a State and how often to visit a State to determine its progress. D. Graves responded that Illinois has made improvements since its last Review. In the previous Review, Illinois had areas of concern which were raised to out of compliance in the current Review as corrections to those areas

had not been addressed. Illinois has now made improvements in these areas. A. Lindo asked if Illinois was given instructions to improve its program. D. Graves responded that Illinois was asked to provide, within 90 days, a plan to improve its oversight of continuing education. As Illinois has an approved budget after two years, ASC staff will review Illinois' progress via offsite monitoring. R. Taft noted that the cover letter to the Report does not request a commitment from Illinois to make changes to its program. D. Graves responded that the request for an improvement plan was included in the Report, not the cover letter. She added that a Priority Contact will be scheduled for 2019. A. Lindo asked staff to provide an update on the Illinois Program at the August ASC Meeting.

- **Financial Manager**

G. Hull reported that the FY17 audit has been completed with a clean opinion, and no findings, material weaknesses or internal control deficiencies were found. The ASC's FY17 approved budget was approximately \$3.9M with \$3.5M expended. FY17 revenue was budgeted at \$3.5M with actual revenue of \$3.4M. While a loss of \$406,000 was anticipated, the loss was less due to the asset conversion and expense capitalization of the new ASC database, and two vacant positions were not filled.

G. Hull also reported on the FY18 year-to-date financial status. FY18 revenue and expenses are slightly higher than anticipated. A. Lindo questioned the costs for Registry development. G. Hull said the increase is due to more contractor involvement than anticipated in helping States convert to the SOAP system. A. Lindo had concerns that there is not a limit on costs to help States and whether they should be making changes to their systems without ASC assistance. J. Park responded that there is currently no policy in place on limiting costs to individual States and staff will monitor costs. A. Lindo asked how many States are using the SOAP system and what the total cost has been thus far to help States switch to SOAP. D. Graves responded that approximately eight States use the system. She added that staff has looked at the costs, but comparing costs per State is difficult because each State program is different. Some States have requested special coding be added which ASC staff has denied due to the time and cost. A. Lindo said if the costs exceed the threshold of \$25,000, this may need to be revisited before the August ASC Meeting. J. Park said that assistance to States could be delayed until FY19. R. Taft and M. Hatheway questioned the amount spent thus far on Personnel Benefits. G. Hull responded that he used 25% as a basis for Personnel Benefits for FY18 and that may have been underestimated. A. Lindo requested that ASC staff research the costs for Personnel Benefits and submit the findings to the ASC.

G. Hull reported that three Appraisal Foundation grant reimbursement requests totaling \$122,000 for October – December 2017 were reviewed and approved by ASC staff. The requests covered costs for an ASB Meeting and ongoing work of the AQB and ASB. ASC staff also reviewed and approved three State grant reimbursement requests totaling \$61,000 for October – December 2017. These covered costs for the Level III Investigator training course along with personnel expenses supporting the Investigator Training Program. The course was to be held in September 2017 but was rescheduled due to Hurricane Irma.

ACTION ITEMS

- **February 14, 2018 Open Session Minutes**

R. Taft made a motion to approve the February 14th open session meeting minutes as presented. R. Witt seconded and all members present voted to approve.

- **Notation Vote to approve for publication and comment in the *Federal Register* the *Notice of Received Request for a Temporary Waiver***

L. Schuster reported that the notation vote passed by a 7-0 vote on March 5, 2018.

- **Notation Vote on the Information Collection Request (30-day Notice for Comment) for the AMC National Registry**

L. Schuster reported that the notation vote passed 7-0 on April 26, 2018.

- **Reprogramming Request for State Investigator Training Grant**

G. Hull presented the Appraisal Foundation's Reprogramming Request for \$19,980. ASC staff recommends approval of the reprogramming request. If approved in full, there would be an unspent balance of \$38,000. R. Taft asked why the request was submitted so late. A. Lindo suggested that a cut-off date for requests be considered. T. Segerson responded that the request was received after the ASC's February Meeting but agreed that a cut-off date should be considered. A. Lindo asked ASC staff include this in the next financial report so that it can be considered resolved. R. Witt moved for approval of the reprogramming request in the amount of \$19,980. P. Neary seconded and all members present voted to approve.

- **Revisions to ASC Delegations of Authority**

A. Ritter presented the revisions to the Delegations of Authority to facilitate delegation from the Chair to the Vice-Chair if the Chair is unable to act on items within a certain timeframe. After further discussion, R. Witt made a motion to approve the changes as discussed. R. Taft seconded and all members present voted to approve.

- **State Requests for Extension of Implementation Period to establish AMC Program**

J. Park presented the one-year extension requests from Alabama, Alaska, Georgia, Kentucky, Massachusetts, Nevada, New York and Oklahoma. If the ASC approves the requests, FFIEC concurrence would also be necessary. More States are expected to submit extension requests. R. Taft noted that some State legislatures may not act on the proposed legislation until beyond the one-year extension due to their legislative sessions and asked what the result would be if States realize they cannot get the legislation approved in one year. A. Ritter said that those States could either become a non-participating State or a participating State with compliance issues, depending on what the State wants to do. G. Burgess questioned why Alabama submitted an extension request as they already have an AMC program. A. Ritter responded that Alabama requested the extension out of an abundance of caution in case any deficiencies are uncovered. D. Graves said that Alabama's AMC program has not been reviewed so it is unknown if the program is compliant. A. Lindo directed ASC staff to contact Alabama and request further information. J. Park said ASC staff would do so. A. Lindo said that any other requests that are received could be acted on via notation vote or a Special Meeting before the August 10th deadline. R. Witt made a motion to approve the extension requests from Alaska, Georgia, Kentucky, Massachusetts, Nevada, New York and Oklahoma and submit a request to the FFIEC asking for their concurrence. Alabama will be tabled and asked to submit further information before their request will be considered. The FFIEC should also be notified that additional requests are expected. R. Taft seconded and all members approved. A. Lindo asked that Bulletin 2017-02 be attached to the written findings submitted to the FFIEC. R. Taft asked if the ASC has to disclose which States have been granted extensions. D. Graves responded that ASC staff is planning to include this information on its website. The website will also list which States have AMC programs and which States have opted out. A. Lindo requested that ASC staff submit information to the ASC on the status of AMC programs in States: which States have programs, which have opted out and which were granted extensions. He would like this as a follow-up item for the August ASC Meeting.

- **Selection of ASC Vice Chair**

J. Park said that the Vice-Chair is selected every two years; R. Taft has served as Vice-Chair for the previous two years. R. Taft says he would be willing to continue serving as the Vice-Chair unless another ASC member is interested. After discussion, R. Witt moved that R. Taft continue as the Vice-Chair for an additional two-year period. P. Neary seconded and all members present voted to approve.

The Open Session adjourned at 12:00 p.m. The next ASC Meeting will be August 29, 2018.

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
JUNE 8, 2018**

LOCATION: via teleconference

ATTENDEES

ASC MEMBERS: FRB – Art Lindo (Chair)
BCFP – Veronica Spicer
FDIC – Marianne Hatheway
FHFA – Robert Witt
HUD – Cheryl Walker
NCUA – Tim Segerson
OCC – Richard Taft

ASC STAFF: Executive Director – Jim Park
General Counsel – Alice Ritter
Financial Manager – Girard Hull
Attorney-Advisor – Ada Bohorfoush
Policy Manager – Vicki Ledbetter-Metcalf
Management and Program Analyst – Lori Schuster
Administrative Officer – Brian Kelly

OBSERVERS: See Attachment

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

ACTION ITEMS

• **State Requests for Extension of Implementation Period to Establish AMC Program**

A. Lindo welcomed observers. A. Ritter said that fifteen States have requested a one-year extension: Arkansas, Colorado, Connecticut, Florida, Illinois, Indiana, Maine, Mississippi, New Jersey, North Carolina, Ohio, Rhode Island, Vermont, Washington, and West Virginia. A. Lindo asked A. Ritter to provide an overview of the ASC staff analysis. A. Ritter responded that staff reviewed the requests to determine whether States had provided evidence of substantial progress towards establishing an AMC Program that appears to conform with Title XI. It was ASC staff's opinion that each of the requests did show evidence of substantial progress and that a one-year extension should be granted to each of the requesting States. R. Taft asked if staff could confirm that the actions proposed by States would bring them into compliance by the August 10, 2019 deadline. J. Park responded that would not be known until a Compliance Review is performed. A. Ritter added that as long as a State has elected to register and supervise AMCs in accordance with the AMC Rule, the statutory restriction would be lifted, even after the August 10, 2019, for AMCs operating in the subject State, regardless of whether the State's AMC Program is

fully compliant. T. Segerson used Maine's request as an example and asked if the requesting States that require legislative action are confident that the draft statute will be enacted. D. Graves responded that Maine is hoping for the law to be enacted in a special session later this year. If not, they hope to have it enacted at the next session in January 2019. V. Spicer made a motion to approve the 15 extension requests and the Written Findings with minor technical edits. R. Taft seconded, and all members present voted to approve. R. Taft asked if the FFIEC just has to concur with the ASC's approval or do they have to formally vote on and approve the requests. A. Ritter responded that the FFIEC does have to vote on and approve the requests.

The Meeting adjourned at 10:25 a.m.

ASC Meeting Attendees

June 8, 2018

| Affiliation | Name |
|----------------------------------------|----------------------|
| AMC Settlement Services | Tracey Orgovan |
| Appraisal Institute | Brian Rodgers |
| CFPB | Deana Krumhansl |
| Citibank | Quinn Ryan |
| Citibank | Gary Schlittler |
| FDIC | Rich Foley |
| FDIC | Suzy Gardner |
| FFIEC | Judith Dupre |
| FHFA | Ming-Yuen Meyer-Fong |
| FRB | Gillian Burgess |
| FRB | Carmen Holly |
| Fulton Financial Corporation | Kimberly Lake |
| Great Western Bank | Lori Kramer |
| IN Dept. of Financial Institutions | Tom Fite |
| MN Department of Commerce | James Rist |
| NAR | Sehar Siddiqi |
| NASCUS | Bryan Knight |
| NASCUS | Nichole Seabron |
| New York State Assn. of Realtors | Jared Burns |
| OCC | Stacy Fluellen |
| RegReport.Info | Susan Broadus |
| REVAA | Tom Tilton |
| Solidifi | Colleen McCafferty |
| Solidifi | Mark Pawelek |
| TX Dept. of Savings & Mortgage Lending | Caroline Jones |
| VA Bureau of Financial Institutions | Joe Face |