

Briefing Materials Cover Page

May 8, 2019

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Appraisal Subcommittee
*Federal Financial Institutions Examination
Council*

Briefing Agenda

Date: **May 8, 2019**
Time: **Immediately following the ASC Open Session Meeting**
Location: **FRB, International Square**
 1850 K Street, NW
 Washington, DC 20006

Briefing Topic(s)

Update on Advisory Committee Recommendations
ASC Grant Program
Appraisal Foundation
Temporary Waiver Request (if needed)

A. Ritter
J. Park/M. Abbott
J. Park
A. Lindo

Updated ASC Staff Report on Advisory Committee (Committee) Recommendations

Area	Recommendation	ASC Staff Comments	Staff Recommendation	Status
Temporary Practice	Once all States report data to the Appraiser Registry on at least a weekly basis, Committee recommended finding Letters of Good Standing (LGS) to be burdensome on States and appraisers if the person being asked for the letter is active on the Appraiser Registry.	Currently staff encourages use of the Appraiser Registry in place of LGS. Requiring States to update Appraiser Registry weekly could ease this concern, rather than prohibit LGS which may be part of State police power.	Consider rulemaking to require States to update Appraiser Registry weekly.	Addressed in Policy Statements. Pending staff recommendation to the Board.
Temporary Practice	Given the importance of criminal background screening, Committee recommended no action be taken regarding the requirement by some States for a criminal background check on an applicant for temporary practice.	No action needed.	Agree with recommendation.	N/A
Temporary Practice	If disciplinary action taken on a temporary practice permit, Appraiser Registry shows it was taken in the applicant's Home State, not the actual State where the discipline occurred. Committee recommended the Appraiser Registry reflect the State that took disciplinary action and the details of the action.	Required updates to Appraiser Registry.	Agree with recommendation.	Completed.
National Registries	Trainees are not included on the Appraiser Registry. Committee recommended absent uniformity across the States, that Trainees not be included, either on a voluntary or mandatory basis, on the Appraiser Registry.	The ASC has no authority to require Trainees to be placed on the Appraiser Registry.	Explore voluntary inclusion of Trainees on the Appraiser Registry.	Pending staff recommendation to the Board.
National Registries	Develop one unique identifier (UID) for each appraiser or appraisal management company (AMC) listed on a National Registry that will be used by each State in which the appraiser is credentialed or AMC is registered.	UID for appraisers is in process. Currently there are 42 States using the UID. An additional 3 States are planning to within the next 6 months when they implement the SOAP system. Staff has researched creating a UID for AMCs. This does not seem feasible since there is no base number like a social security number.	Currently UID is voluntary for Appraiser Registry. Consider rulemaking to require UID for Appraiser Registry.	Pending staff recommendation to the Board.
National Registries	Maintain for public viewing on the Appraiser and AMC Registries all historical disciplinary actions that impact ability to practice or conduct business.	This would increase transparency. However, making previous disciplinary actions readily available raises a number of questions (e.g. , how long will the disciplinary action remain visible; how equitable is it to retain disciplinary action once the terms of discipline have been completed). May adversely impact appraisers and AMCs. ASC staff believes this is a decision best left to each State.	Recommendation not advisable.	N/A
National Registries	The Appraiser Registry notes only if an appraiser is active or inactive in a State. Develop a dropdown list within the Appraiser Registry to denote the reason an appraiser is listed as inactive (i.e. , retired, deceased, license suspension/revocation).	The reason an appraiser does not renew a credential is not information most States collect. The Appraiser Registry does indicate if a credential is inactivated because of discipline.	Added on the private side, "Deceased" and the ability for the State to inactivate for reasons other than discipline, called "State Inactivated."	Completed.
National Registries	Provide additional content to information currently available on the Appraiser Registry for each appraiser (see Section 2 in the Appendix of the ASCAC Recommendations, and also Recommendation 2 under Information Sharing).	While staff agrees that additional information could be informative, we recognize States' ability to transmit all of this information may be limited and would create additional burden. The ASC website provides generic links to State Programs which enables users to contact State Programs for more information. Staff does not agree with adding additional links to State disciplinary action webpages or the disciplinary actions themselves. Electronic links must be carefully maintained which would require significant resources.	Recommendation not advisable.	N/A
National Registries	Appraiser data and information regarding disciplinary actions should be submitted to the ASC as soon as practical and at least weekly.	Revised ASC Policy Statements effective 3/5/18.		Completed.

Updated ASC Staff Report on Advisory Committee (Committee) Recommendations

Area	Recommendation	ASC Staff Comments	Staff Recommendation	Status
National Registries	Content for the AMC Registry should include detailed information as set forth in Section 3 in the Appendix of the ASCAC Recommendations.	Additional information could be informative. However States ability to transmit all of this information may be limited. To require this much information from the States could be burdensome and costly for the States. Adding this information on a voluntary basis would cause the AMC Registry to be inconsistent between States.	Recommendation not advisable.	N/A
National Registries	Require that States notify the ASC of any disciplinary action that interrupts a credential holder's ability to practice within five business days after the action is either final or effective.	Revised ASC Policy Statements effective 3/5/18.	Consider rulemaking to require.	Addressed in Policy Statements. Pending staff recommendation to the Board.
Information Sharing	Provide more information about each appraiser and AMC on the National Registries (see Sections 2 and 3 in the Appendix, and also refer to Recommendation 5 under National Registries).	Additional information could be informative, however States ability to provide all of this information may be limited. Redesigning the Registry to support commercial interests may be outside the scope of the statutory mandate to maintain the National Registries.	Recommendation not advisable.	N/A
Information Sharing	Maintain disciplinary action history of appraisers on the public side of the Appraiser Registry so the public will have available all periods of time in which an appraiser was not active on the Appraiser Registry. Also the Appraiser Registry should maintain all information regarding registration, such as periods of inactive status.	This would increase transparency. However, making previous disciplinary actions readily available raises a number of questions (e.g. , how long will the disciplinary action remain visible; how equitable is it to retain disciplinary action records once the terms of discipline have been completed). May adversely impact appraisers. ASC staff believes this is a decision best left to each State.	Recommendation not advisable.	N/A
Information Sharing	Enhance the ASC website to include more information on each State agency, including information regarding AMCs (see Section 4 in the Appendix of the ASCAC Recommendations).	The ASC website should not be the clearinghouse for individual State appraiser or AMC information. The increased workload for ASC staff to maintain the links and information would be significant.	Recommendation not advisable.	N/A
Information Sharing	Make it easy for a State appraiser regulatory agency to discover if another State appraiser regulatory agency is in compliance with Title XI. This can be noted on each State agency page, in a separate document, or both.	The ASC Website has a prominent area on the first page to display the information if a State is rated Poor. In addition, the ASC may provide that information to the States and others in an email and/or on the What's New section of the website.	Implemented the recommendation.	Completed.
Enforcement	Strictly define the "complaint filing date" as the date the original complaint is received in the State appraiser regulatory agency office.	Revised ASC Policy Statements effective 3/5/18.	Consider rulemaking to require.	Pending staff recommendation to the Board.
Enforcement	More specifically define "special documented circumstances," as currently used in ASC Policy Statement 7.	Revised ASC Policy Statements effective 3/5/18.	Consider rulemaking to require.	Pending staff recommendation to the Board.
Enforcement	Clarify what constitutes an "investigation" of the merits of a complaint.	Revised ASC Policy Statements effective 3/5/18.	Consider rulemaking to require.	Pending staff recommendation to the Board.
Sanctions for Enforcement of ASC Regulations	Committee developed a matrix as an enforcement tool including definitions and aggravating/mitigating circumstances.	Implementing a matrix as an enforcement tool will require rulemaking; definitions and aggravating/mitigating circumstances should be included. Many of the items in the matrix are currently done on a voluntary basis to correct a	Agree with recommendation with minor adjustments to the definitions.	Pending staff recommendation to the Board.
Suggested uses for ASC State Grant Funds	Although not a specific charge, the Committee made numerous suggestions for use of ASC State grants when money becomes available.	Staff agrees to take the suggestions under consideration.	Consider as part of developing expanded grant policies.	Future Project.