

FYI

Cover Page

September 13, 2017



Appraisal Subcommittee Members
(Revised as of August 16, 2017)

| Agency | Member | Alternate Member |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CFPB | Veronica Spicer Enforcement Attorney Supervision, Enforcement, Fair Lending & Equal Opportunity Consumer Financial Protection Bureau 1625 I Street, NW, Room 3070 Washington, DC 20006 P: 202-435-7545 C: 202-340-9302 Email: Veronica.Spicer@cfpb.gov | Philip Neary Senior Exam Manager Supervision, Southeast Region Consumer Financial Protection Bureau 1625 I Street, NW Washington, DC 20006 P: 202-573-4607 Email: Philip.Neary@cfpb.gov |
| FDIC | Marianne Hatheway Deputy Regional Director Division of Risk Management Supervision FDIC Boston Area Office Federal Deposit Insurance Corporation 15 Braintree Hill Office Park, Suite 200 Braintree, MA 02184-8701 P: 781-794-5501 Email: MHatheway@fdic.gov | Rae-Ann Miller Associate Director Risk Management Policy Branch Division of Risk Management Supervision Federal Deposit Insurance Corporation 550 17 th Street NW Washington, DC 20429 P: 202-898-3898 Email: RMiller@fdic.gov |
| FHFA | Maria Fernandez Senior Associate Director Office of Housing and Regulatory Policy Division of Housing Mission & Goals Federal Housing Finance Agency 400 7 th Street SW Washington, DC 20219 P: 202-649-3102 F: 202-649-4102 Email: Maria.Fernandez@fhfa.gov | Robert Witt Senior Policy Analyst Office of Housing & Regulatory Policy Division of Housing Mission & Goals Federal Housing Finance Agency 400 7 th Street SW Washington, DC 20219 P: 202-649-3128 F: 202-649-4121 Email: Robert.Witt@fhfa.gov |
| FRB | Arthur Lindo (Chair) Senior Associate Director Division of Banking Supervision and Regulation Board of Governors of the Federal Reserve System 1850 K Street NW Washington, DC 20006 P: 202-452-2695 F: 202-452-2770 Email: Arthur.Lindo@frb.gov | |

Appraisal Subcommittee Members
(Revised as of August 16, 2017)

| Agency | Member | Alternate Member |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HUD | <p>Cheryl Walker Director Home Valuation Policy Division Office of Housing - Single Family Program Development U.S. Department of Housing & Urban Development 451 7th Street SW, Room 9274 Washington, DC 20410-8000 P: 202-402-6880 F: 202-401-9713 Email: Cheryl.B.Walker@hud.gov</p> | <p>Bobbi Borland Deputy Director Home Valuation Policy Division Office of Program Development U.S. Department of Housing & Urban Development 451 7th Street SW, Room 9274 Washington, DC 20410-8000 P: 202-402-5244 F: 202-401-9713 Email: Bobbi.L.Borland@hud.gov</p> |
| NCUA | <p>Tim Segerson Deputy Director for the Office of Examination & Insurance National Credit Union Administration 1775 Duke Street Alexandria, VA 22314-3428 P: 703-518-6397 F: 703-837-2122 Email: Segerson@ncua.gov</p> | |
| OCC | <p>Richard Taft (Vice-Chair) Deputy Comptroller of Credit Risk Office of the Comptroller of the Currency 400 7th Street SW Washington, DC 20219 P: 202-649-6767 Email: Richard.Taft@occ.treas.gov</p> | |

The Appraisal Foundation 2017 Budget Summary

| The Appraisal Foundation 2017 Budget Summary | | | | | | | | | | | | | |
|---------------------------------------------------------------------------------------|-------------------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| The Appraisal Foundation 1155 15th Street, N.W. Suite 1111 Washington, DC 20005 | January 1, 2017 - December 31, 2017 | | | | | | | | | | | | |
| Budget Category | AQB | ASB | APB | BOT | Publications | Instructor Program | Investigator Training | G&A | Total 2017 Budget | 2015 Actual | Variance | 2013 Actual | Variance |
| Revenue: | | | | | | | | | | | | | |
| Grants | \$190,396 | \$159,605 | | | | | \$309,085 | | \$659,086 | \$491,899 | \$167,187 | \$506,935 | \$152,151 |
| Publication Sales | | | | | \$2,899,605 | | | | 2,899,605 | 2,595,477 | 304,128 | 3,005,771 | (\$106,166) |
| Instructor Program Fees | | | | | | \$93,470 | | | 93,470 | 93,470 | 0 | 82,169 | \$11,301 |
| Course Approval Program Fees | \$128,563 | | | | | | | | 128,563 | 128,563 | (1) | 145,688 | (\$17,126) |
| Sponsorship Fees | | | | | | | | \$97,080 | 97,080 | 97,080 | 0 | 97,622 | (\$542) |
| Industry Advisory Council Dues | | | | \$80,000 | | | | | 80,000 | 80,000 | 0 | 90,833 | (\$10,833) |
| Interest Income | | | | | | | | 91,024 | 91,024 | 91,024 | 0 | 71,110 | \$19,914 |
| Alliance Management Fees | | | | | | | | | 0 | 60,000 | (60,000) | 47,500 | (\$47,500) |
| Miscellaneous - AITF Registration Fees | | | | | | | | | | 25,000 | (25,000) | 0 | \$0 |
| New Project Revenue - DOI | | | | | | | | | | 53,600 | (53,600) | 102,468 | (\$102,468) |
| Gain/Loss on Securities | | | | | | | | | | | 0 | 0 | \$0 |
| Total Revenue | \$318,959 | \$159,605 | \$0 | \$80,000 | \$2,899,605 | \$93,470 | \$309,085 | \$188,104 | \$4,048,828 | \$3,716,113 | \$332,714 | \$4,150,095 | (\$101,268) |
| Expense: | | | | | | | | | | | | | |
| Personnel (Direct Labor) | \$91,838 | \$100,316 | \$59,453 | \$320,402 | \$72,472 | \$11,992 | \$17,126 | \$684,937 | \$1,358,537 | \$1,414,571 | (\$56,034) | \$1,282,641 | \$75,896 |
| Fringe Benefits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 368,889 | \$368,889 | 362,640 | 6,249 | 326,624 | \$42,265 |
| Rent | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 226,800 | \$226,800 | 228,964 | (2,164) | 212,119 | \$14,681 |
| Office Supplies | 1,000 | 100 | 500 | 2,600 | 0 | 0 | 0 | 13,500 | \$17,700 | 18,302 | (602) | 33,164 | (\$15,464) |
| Telephone and Computer | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 70,148 | \$70,148 | 78,853 | (8,705) | 77,057 | (\$6,909) |
| Postage and Delivery | 1,000 | 550 | 550 | 3,500 | 194,500 | 0 | 1,818 | 3,000 | \$204,918 | 228,516 | (23,598) | 260,549 | (\$55,631) |
| Printing | 12,349 | 500 | 1,000 | 18,200 | 118,007 | 0 | 9,000 | 2,500 | \$161,556 | 221,048 | (59,492) | 341,612 | (\$180,056) |
| Equipment Rental | 8,000 | 4,800 | 4,800 | 16,300 | 0 | 0 | 0 | 8,160 | \$42,060 | 27,837 | 14,223 | 58,592 | (\$16,532) |
| Equipment Repair and Maintenance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,340 | \$5,340 | 4,025 | 1,315 | 7,993 | (\$2,653) |
| Consultants | 156,350 | 60,750 | 94,500 | 3,000 | 81,000 | 11,000 | 44,000 | 15,000 | \$465,600 | 633,225 | (167,625) | 503,202 | (\$37,602) |
| Travel/Meeting Costs | 98,000 | 76,200 | 48,000 | 239,200 | 0 | 0 | 217,280 | 15,000 | \$693,680 | 771,365 | (77,685) | 789,431 | (\$95,751) |
| Insurance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40,000 | \$40,000 | 40,149 | (149) | 42,663 | (\$2,663) |
| Legal | 6,000 | 1,800 | 500 | 30,000 | 0 | 1,000 | 0 | 2,500 | \$41,800 | 45,709 | (3,909) | 41,788 | \$12 |
| Dues, Subscriptions, Registrations | 0 | 0 | 130 | 0 | 0 | 0 | 0 | 15,000 | \$15,130 | 16,111 | (981) | 12,420 | \$2,710 |
| Accounting/Audit Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30,000 | \$30,000 | 31,033 | (1,033) | 27,141 | \$2,859 |
| Subcontractor | 50,530 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$50,530 | 52,092 | (1,562) | 77,925 | (\$27,395) |
| Credit Card Discount Fees | 3,000 | 0 | 0 | 0 | 62,000 | 0 | 0 | 0 | \$65,000 | 55,934 | 9,066 | 69,736 | (\$4,736) |
| Bad Debt Expense | | | | | | | | | | 356,196 | (356,196) | 0 | \$0 |
| Depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 80,000 | \$80,000 | 33,303 | 46,697 | 12,320 | \$67,680 |
| Contributions to Other Organizations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,000 | \$10,000 | 50,000 | (40,000) | 60,000 | (\$50,000) |
| Miscellaneous | | | | | | | | | \$0 | 449 | (449) | | |
| Replish Long Term Reserves | | | | | | | | | \$100,000 | 0 | 100,000 | 0 | \$100,000 |
| Total Expenses: | \$428,067 | \$245,016 | \$209,433 | \$633,202 | \$527,979 | \$23,992 | \$289,224 | \$1,590,774 | \$4,047,688 | \$4,670,322 | (\$622,634) | \$4,236,977 | (\$189,289) |
| Excess of Revenue Over Expenses | (\$109,109) | (\$85,411) | (\$209,433) | (\$553,202) | \$2,371,626 | \$69,478 | \$19,861 | (\$1,402,670) | \$1,139 | (\$954,209) | \$955,348 | (\$86,882) | \$88,020 |

State Program Summary Report

| State or Territory | AL | AK | AZ | AR | CA | CO | CT | DE | DC | FL | GA | GU | HI | |
|----------------------------------------------------|-------------|----------------|--------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|------------------|------------------|-------------|---|
| Review Year | 2016 | 2015 | 2016 | 2016 | 2016 | 2016 | 2016 | 2017 | 2017 | 2017 | 2016 | 2015 | 2015 | |
| Review Month | Jan | Jul | Jun | Mar | Oct | Sep | Jun | Jan | Apr | Feb | Mar | Nov | Dec | |
| ASC Finding | Good | Good | Excel | Good | Excel | Excel | Good | Good | Good | Excel | Excel | Good | 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 | | | | | | | | | | | | | | |
| 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 | 2 |
| Temporary Practice: | | | | | | | | 1 | 1 | | | | | |
| National Registry: | | | | | | | | 1 | | | | | | |
| Application Process: | | | | | | | | 3 | | 1 | | | 1 | |
| Reciprocity: | | | | | | | | | | | | | 1 | |
| Education: | | | | | | | | 1 | | | | | | |
| Enforcement | 1 | | | | | | | | | | | | 1 | |
| TOTAL OUT OF COMPLIANCE | - | - | 1 | - | - | 1 | - | - | - | - | - | - | 2 | 2 |
| TOTAL AREA OF CONCERN | 2 | - | - | - | - | - | - | 6 | 1 | 1 | - | - | 4 | - |
| Last Review Finding | Good (2014) | Not Sat (2014) | Excel (2014) | Good (2014) | Good (2014) | Excel (2014) | Good (2014) | Good (2015) | Good (2015) | Good (2015) | Needs Imp (2014) | Needs Imp (2013) | Good (2013) | |
| Previous Review Finding | NISC (2012) | NISC (2013) | NISC (2012) | NISC (2012) | NISC (2012) | ISC (2012) | ISC (2012) | NISC (2013) | NISC (2013) | ISC (2013) | ISC (2012) | ISC (2007) | NISC (2011) | |
| FTE | 6.3 | 0.57 | 3.6 | 2.9 | 30.9 | 10.5 | 1.46 | 0.5 | 1.5 | 9 | 5.4 | 0.14 | 0.95 | |
| Independent or Under Umbrella (I/UU) | I | UU | UU | I | UU | UU | UU | UU | UU | UU | I | UU | UU | |
| Board | Yes | Yes | No | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | |
| # Credentials on National Registry | 1,310 | 246 | 2,045 | 815 | 10,416 | 2,594 | 1,272 | 564 | 727 | 6,024 | 3,445 | 21 | 520 | |
| # Trainees | 113 | 18 | 75 | 142 | 528 | n/a | 68 | 43 | 49 | 431 | 20 | 3 | n/a | |
| Complaints Received in Review Cycle | 57 | 11 | 206 | 68 | 547 | 282 | 90 | 24 | 19 | 364 | 178 | 0 | 21 | |
| Complaints Outstanding | 24 | 2 | 20 | 7 | 103 | 115 | 22 | 9 | 2 | 78 | 51 | 0 | 3 | |
| Complaints Outstanding Over 1 Year (No SDC) | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Special Documented Circumstances (SDC) | 0 | 0 | 0 | 1 | 2 | 7 | 0 | 1 | 0 | 2 | 4 | 0 | N/A | |
| AMC Laws and Regulations | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | 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 | ID | IL | IN | IA | KS | KY | LA | ME | CNMI | MD | MA | MI | MN |
|-------------------------------------------------|-------|-----------|-------|-------|-------|-------|-------|-------|-----------|-------|-----------|-------|-------|
| Review Year | 2017 | 2015 | 2017 | 2017 | 2015 | 2017 | 2016 | 2017 | 2015 | 2016 | 2016 | 2016 | 2016 |
| Review Month | Apr | Sep | Jan | Jul | Oct | Mar | Feb | May | Nov | Apr | May | Sep | Sep |
| ASC Finding | Excel | Needs Imp | Good | Excel | Excel | Excel | Good | Good | Needs Imp | Good | Needs Imp | Good | Good |
| Review Cycle Assigned (in years) | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | | 2 | | 2 | 2 |
| Required State Actions or Off Site Monitoring | | Yes | | | | | | | Yes | | Yes | | |
| Follow-Up (in months) | | | | | | | | | | | | | |
| Out of Compliance (OC) Area of Concern (AC) | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC | OC AC |
| Statutes, Regulations, Policies and Procedures: | | 1 | | 1 | | | | 2 | 1 | | 2 | | 1 |
| Temporary Practice: | | | | | | | | | | | | 1 | |
| National Registry: | | | 2 | | | | | | | | | | 1 |
| Application Process: | | | | | | | 1 | | | 1 | | 1 | |
| Reciprocity: | | | | | | | | | | | | | |
| Education: | | | | | | | | | | | | | |
| Enforcement | | 1 | | | | | | | | 1 | | 1 | |
| TOTAL OUT OF COMPLIANCE | - | 2 | - | - | - | - | 1 | 1 | 2 | - | 1 | - | 1 |
| TOTAL AREA OF CONCERN | - | 2 | 1 | - | - | - | 2 | - | 2 | 1 | 3 | 2 | 2 |

| Last Review Finding | Good (2015) | Needs Imp (2013) | Needs Imp (2015) | Excel (2015) | Excel (2013) | Excel (2015) | Good (2014) | Good (2015) | Needs Imp (2013) | Good (2014) | Needs Imp (2014) | Good (2014) | Good (2014) |
|---------------------------------------------|-------------|------------------|------------------|--------------|--------------|--------------|-------------|--------------|------------------|-------------|------------------|-------------|-------------|
| Previous Review Finding | NISC (2013) | NIC (2011) | ISC (2013) | Excel (2013) | NISC (2011) | ISC (2013) | NISC (2012) | Excel (2013) | ISC (2007) | NISC (2012) | NISC (2012) | NISC (2012) | NISC (2012) |
| FTE | 0.1 | 2.8 | 3.1 | 0.95 | 2 | 2.2 | 3.3 | 0.57 | 0.3 | 3.6 | 2.35 | 2.1 | 2.25 |
| Independent or Under Umbrella (I/UU) | UU | UU | UU | UU | I | UU | UU | UU | UU | UU | UU | UU | UU |
| Board | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No |
| # Credentials on National Registry | 699 | 4,046 | 2,094 | 1,111 | 993 | 1,399 | 1,337 | 557 | 9 | 2,322 | 2,103 | 2,741 | 1,949 |
| # Trainees | 35 | 548 | 113 | 95 | 11 | 184 | 159 | 27 | 0 | 210 | 200 | 379 | 248 |
| Complaints Received in Review Cycle | 46 | 429 | 106 | 92 | 31 | 42 | 33 | 67 | 0 | 104 | 214 | 131 | 475 |
| Complaints Outstanding | 13 | 119 | 37 | 12 | 7 | 17 | 4 | 13 | 0 | 17 | 39 | 66 | 116 |
| Complaints Outstanding Over 1 Year (No SDC) | 2 | 34 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17 | 2 | 0 |
| Special Documented Circumstances (SDC) | 0 | 1 | 3 | 0 | 1 | 0 | 0 | 1 | 0 | 1 | 4 | 6 | 7 |
| AMC Laws and Regulations | No | Yes | Yes | Pending | Yes | Yes | Yes | No | No | Yes | No | Yes | Yes |

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State Program Summary Report

| State or Territory | MS | | MO | | MT | | NE | | NV | | NH | | NJ | | NM | | NY | | NC | | ND | | OH | |
|----------------------------------------------------|------------------|----|-------------|----|------------------|----|-------------|----|-------------|----|--------------|----|------------------|----|-------------|----|------------------|----|--------------|----|-------------|----|-------------|----|
| Review Year | 2017 | | 2016 | | 2015 | | 2017 | | 2016 | | 2017 | | 2016 | | 2015 | | 2015 | | 2016 | | 2016 | | 2015 | |
| Review Month | May | | Jun | | Sep | | Mar | | May | | May | | Sep | | Apr | | Aug | | Nov | | Jun | | Aug | |
| ASC Finding | Excel | | Excel | | Good | | Good | | Excel | | Excel | | Needs Imp | | Good | | Needs Imp | | 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) | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 | | | 1 | | | | | | |
| Temporary Practice: | | | | | | | | 1 | | | | | | | | | | | | | | | | |
| National Registry: | | | | | | | | | | | | | | 1 | | | | | | | | | | |
| Application Process: | | | | | | | | | | | | | 1 | | | | | 1 | 2 | | | | | |
| Reciprocity: | | | | | | | | | | | | | | | | | | | | | | | | |
| Education: | | | | | | | | | | | | | | | | | | | | | | | | |
| Enforcement | | | | | | 1 | | | | | | | | | | | | | | | | | | |
| TOTAL OUT OF COMPLIANCE | - | | - | | - | | - | | - | | - | | 2 | | 1 | | 1 | | - | | - | | - | |
| TOTAL AREA OF CONCERN | - | | - | | 1 | | 2 | | - | | - | | 2 | | - | | 3 | | - | | - | | - | |
| Last Review Finding | Needs Imp (2015) | | Good (2014) | | Needs Imp (2013) | | Good (2015) | | Good (2014) | | Excel (2015) | | Needs Imp (2014) | | Good (2013) | | Needs Imp (2013) | | Excel (2014) | | Good (2014) | | Good (2013) | |
| Previous Review Finding | ISC (2013) | | NISC (2012) | | NISC (2012) | | Good (2013) | | NISC (2012) | | Good (2013) | | NISC (2012) | | NISC (2009) | | NISC (2011) | | ISC (2012) | | ISC (2012) | | ISC (2011) | |
| FTE | 4.8 | | 2 | | 2.7 | | 3 | | 1.5 | | 1.8 | | 4.5 | | 3.95 | | 5.5 | | 10 | | 1.5 | | 8.85 | |
| Independent or Under Umbrella (I/UU) | UU | | UU | | UU | | I | | UU | | UU | | UU | | UU | | UU | | I | | I | | UU | |
| Board | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | |
| # Credentials on National Registry | 1,066 | | 2,134 | | 371 | | 646 | | 998 | | 733 | | 2,651 | | 618 | | 4,063 | | 2,970 | | 283 | | 3,061 | |
| # Trainees | 31 | | 107 | | 24 | | 49 | | 65 | | 13 | | 57 | | 84 | | 451 | | 333 | | 34 | | 318 | |
| Complaints Received in Review Cycle | 66 | | 86 | | 119 | | 28 | | 84 | | 34 | | 88 | | 41 | | 127 | | 193 | | 27 | | 253 | |
| Complaints Outstanding | 10 | | 10 | | 22 | | 4 | | 31 | | 4 | | 26 | | 15 | | 50 | | 40 | | 15 | | 69 | |
| Complaints Outstanding Over 1 Year (No SDC) | 0 | | 0 | | 3 | | 1 | | 0 | | 0 | | 0 | | 0 | | 1 | | 0 | | 0 | | 1 | |
| Special Documented Circumstances (SDC) | 2 | | 3 | | 7 | | 3 | | 4 | | 0 | | 8 | | 3 | | 2 | | 0 | | 6 | | 8 | |
| AMC Laws and Regulations | Yes | | Yes | | Yes | | Yes | | Yes | | Yes | | No | | Yes | | No | | Yes | | Yes | | No | |

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State Program Summary Report

| State or Territory | OK | | OR | | PA | | PR | | RI | | SC | | SD | | TN | | TX | | UT | | VT | | VI | |
|----------------------------------------------------|----------------|-------------|------------------|----|------------|-------------|------------------|----|-------------|--------------|-------------|--------------|-------------|-------------|-------------|------------------|-----------|----|-----------|----|-----------|----|-----------|----|
| Review Year | 2015 | | 2016 | | 2016 | | 2015 | | 2015 | | 2017 | | 2016 | | 2017 | | 2016 | | 2015 | | 2016 | | 2016 | |
| Review Month | Oct | | Jul | | May | | Dec | | Oct | | Feb | | Aug | | Jan | | Feb | | May | | Aug | | Nov | |
| ASC Finding | Good | | Excel | | Needs Imp | | Good | | Needs Imp | | Excel | | Excel | | Needs Imp | | Excel | | Good | | Needs Imp | | Needs Imp | |
| Review Cycle Assigned (in years) | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | | 2 | |
| Required State Actions or Off Site Monitoring | | | | | Yes | | | | Yes | | | | | | Yes | | | | | | | | Yes | |
| Follow-Up (in months) | | | | | 12 | | | | | | | | | | | | | | | | | | 6 to 9 | |
| Out of Compliance (OC) Area of Concern (AC) | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC | OC | AC |
| Statutes, Regulations, Policies and Procedures: | 1 | | | | 1 | | | 1 | | | | | | | | 1 | | | | | | | 2 | 1 |
| Temporary Practice: | | | | | | 1 | | | | | | | | | | | | | | | | | | |
| National Registry: | | | | | | | | | | | | | | | | 1 | | | | | | 2 | | 1 |
| Application Process: | | | | | 1 | | | 1 | 1 | | | | | | 1 | | | | | | | 1 | | |
| Reciprocity: | | | | | | | | | | | | | | | | | | | | | | | | 1 |
| Education: | | | | | | 1 | | | | | | | | | | | | | | | | | | |
| Enforcement | | | | | 1 | | | | | | 1 | | | | | | | | | 1 | | | 1 | |
| TOTAL OUT OF COMPLIANCE | 1 | | - | | 3 | | - | | 1 | | - | | - | | 1 | | - | | - | | 3 | | 3 | |
| TOTAL AREA OF CONCERN | - | | - | | 2 | | 2 | | - | | 1 | | - | | 2 | | - | | 1 | | 1 | | 2 | |
| Last Review Finding | Excel (2013) | Good (2014) | Needs Imp (2014) | | Good(2013) | Good (2013) | Needs Imp (2015) | | Good (2014) | Excel (2015) | Good (2014) | Excel (2015) | Good (2014) | NISC (2013) | Good (2014) | Needs Imp (2014) | | | | | | | | |
| Previous Review Finding | ISC (2011) | ISC (2012) | NISC (2012) | | ISC (2012) | ISC (2011) | ISC (2013) | | ISC (2012) | ISC (2013) | NISC (2012) | ISC (2013) | NISC (2012) | NISC (2011) | NISC (2012) | NISC (2012) | | | | | | | | |
| FTE | 3.75 | 4.4 | 3.5 | | 0.2 | 1.05 | 3.1 | | 2 | 1.5 | 11.9 | 4.95 | 0.24 | 1 | | | | | | | | | | |
| Independent or Under Umbrella (I/UU) | I - adjunct of | I | UU | | UU | UU | UU | | UU | UU | UU | UU | UU | UU | | | | | | | | | | |
| Board | Yes | Yes | Yes | | Yes | Yes | Yes | | Yes | Yes | Yes | Yes | Yes | Yes | | | | | | | | | | |
| # Credentials on National Registry | 990 | 1,475 | 3,247 | | 382 | 462 | 1,991 | | 362 | 1,950 | 5,246 | 1,246 | 248 | 27 | | | | | | | | | | |
| # Trainees | 83 | 80 | 327 | | n/a | 29 | 156 | | 53 | 225 | 787 | 85 | 128 | n/a | | | | | | | | | | |
| Complaints Received in Review Cycle | 108 | 127 | 292 | | 9 | 6 | 221 | | 9 | 124 | 484 | 134 | 9 | 1 | | | | | | | | | | |
| Complaints Outstanding | 39 | 80 | 152 | | 3 | 0 | 47 | | 6 | 31 | 155 | 52 | 7 | 0 | | | | | | | | | | |
| Complaints Outstanding Over 1 Year (No SDC) | 0 | 0 | 53 | | 0 | 0 | 0 | | 0 | 0 | 0 | 6 | 0 | 0 | | | | | | | | | | |
| Special Documented Circumstances (SDC) | 0 | 5 | 14 | | 0 | 0 | 1 | | 1 | 3 | 6 | 16 | 4 | 0 | | | | | | | | | | |
| AMC Laws and Regulations | Yes | Yes | Yes | | No | No | 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 | 2015 | | 2016 | | 2016 | | 2015 | | 2015 | | # Excel | 21 |
| Review Month | Aug | | May | | Dec | | Jun | | Sep | | # Good | 23 |
| ASC Finding | Needs Imp | | Excel | | Good | | Good | | 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) | 6 | | | | | | | | | | | |
| 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 | | | 1 | 1 | 18 | 15 |
| Temporary Practice: | | | | | | | | | | | 0 | 5 |
| National Registry: | | | | | | 1 | | | | | 3 | 9 |
| Application Process: | 1 | 1 | | | | | | 1 | | 1 | 8 | 13 |
| Reciprocity: | | | | | | | | | | | 0 | 2 |
| Education: | | | | | | | | | | | 0 | 2 |
| Enforcement | 1 | 1 | | | 2 | | 1 | | | | 7 | 9 |
| TOTAL OUT OF COMPLIANCE | 2 | | - | | 2 | | 1 | | 1 | | 36 | |
| TOTAL AREA OF CONCERN | 2 | | - | | 2 | | 1 | | 2 | | | 55 |
| Last Review Finding | ISC (2013) | Excel (2014) | Needs Imp (2015) | | Needs Imp (2013) | | Good (2013) | | | | | |
| Previous Review Finding | ISC (2011) | NISC (2012) | NISC (2012) | | NISC (2011) | | NISC (2011) | | | | | |
| FTE | 1.75 | 8 | 2.45 | | 3.35 | | 1.42 | | | | | |
| Independent or Under Umbrella (I/UU) | UU | UU | I | | UU | | UU | | | | | |
| Board | Yes | Yes | Yes | | Yes | | Yes | | | | | |
| # Credentials on National Registry | 3,387 | 2,603 | 572 | | 2,162 | | 337 | | | | | |
| # Trainees | 71 | 192 | 26 | | n/a | | 23 | | | | | |
| Complaints Received in Review Cycle | 190 | 164 | 27 | | 134 | | 8 | | | | | |
| Complaints Outstanding | 41 | 37 | 4 | | 91 | | 4 | | | | | |
| Complaints Outstanding Over 1 Year (No SDC) | 2 | 0 | 0 | | 51 | | 0 | | | | | |
| Special Documented Circumstances (SDC) | 0 | 1 | 0 | | 0 | | 0 | | | | | |
| AMC Laws and Regulations | Yes | Yes | Yes | | No | | Yes | | | | | |

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

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Appraisal Subcommittee
Federal Financial Institutions Examination Council

June 15, 2017

Mr. Clifford Cooks, Program Manager
Occupational and Professional Licensing Division
Department of Consumer and Regulatory Affairs
1100 4th Street SW, Suite 500E
Washington, DC 20024

RE: ASC Compliance Review of District of Columbia's Appraiser Regulatory Program

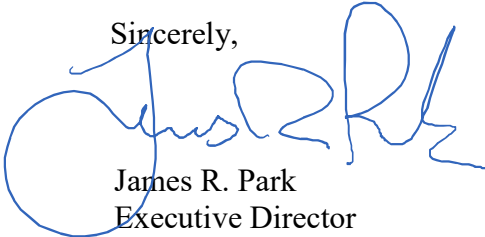
Dear Mr. Cooks:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the District of Columbia's appraiser regulatory program (Program) on April 18-20, 2017, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

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

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

Sincerely,



James R. Park
Executive Director

Attachment

cc: Ms. Tamora Papas, Chair
Mr. Leon Lewis, Program Liaison
Ms. Patrice Richardson, Board Administrator

ASC Finding Descriptions

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

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

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

ASC Compliance Review Report

ASC Finding: Good
Final Report Issue Date: June 15, 2017

| | | | |
|-----------------------------------------------------------------------|----------------|-------------------------------------------------------------------|-----------------------------------------|
| District of Columbia (DC) Appraiser Regulatory Program (State) | | | |
| DC Board of Real Estate Appraisers (Board) / Decision Making | PM: J. Tidwell | ASC Compliance Review Date: April 18-20, 2017 | Review Period: March 2015 to April 2017 |
| Umbrella Agency: Department of Consumer and Regulatory Affairs | | Number of State Credentialed Appraisers on National Registry: 727 | 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 |
| 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 issued 2 Trainee Appraiser credentials after January 1, 2015, without verifying the applicants had completed the AQB Criteria required course specifically oriented to the requirements and responsibilities of Supervisory Appraisers and Trainee Appraisers. | On June 13, 2017, the State provided documentation the 2 trainees completed the missing courses on May 23, 2017, and June 5, 2017, respectively. The State reported oversight will be performed to ensure all courses have been completed prior to licensure. | None | ASC staff will pay particular attention to this area for compliance with Title XI, ASC Policy Statement 4 and AQB Criteria during the next Review. |
| 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

May 5, 2017

Mr. Paul Morgan, Chairman
Idaho Real Estate Appraiser Board
Bureau of Occupational Licenses
Statehouse Mail
P O Box 83720
Boise, ID 83720-0063

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

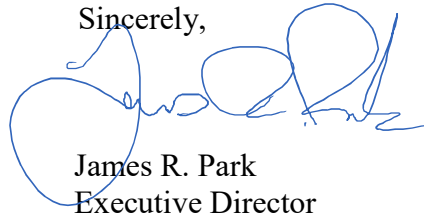
Dear Mr. Morgan:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Idaho appraiser regulatory program (Program) on April 19-21, 2017, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

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

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

Sincerely,



James R. Park
Executive Director

Attachment

cc: Ms. Tana Cory, Bureau Chief
Ms. Deborah Sexton, Management Assistant

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: May 4, 2017

| | | | |
|-------------------------------------------------------------|----------------|-------------------------------------------------------------------|----------------------------------------|
| Idaho Appraiser Regulatory Program (State) | | | |
| Idaho Real Estate Appraiser Board (Board) / Decision Making | PM: V. Metcalf | ASC Compliance Review Date: April 19-21, 2017 | Review Period: April 2015 - April 2017 |
| Umbrella Agency: Bureau of Occupational Licenses | | Number of State Credentialed Appraisers on National Registry: 710 | 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

August 14, 2017

Ms. Brandy March, Executive Director
Real Estate Appraiser Examining Board
Bureau of Finance
Professional Licensing Bureau
Iowa Division of Banking
200 East Grand Avenue, Suite 350
Des Moines, IA 50309

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

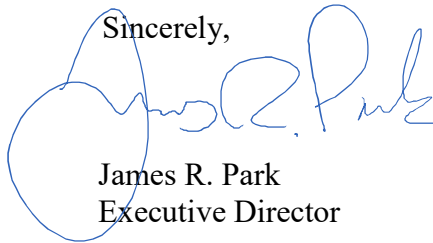
Dear Ms. March:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Iowa appraiser regulatory program (Program) on July 26-28, 2017, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read "James R. Park", is written over the typed name and title.

James R. Park
Executive Director

Attachment

cc: Mr. Rod Reed, Bureau Chief
Ms. Amanda Luscombe, Board Chair
Mr. Luke Dawson, Legal Counsel
Mr. Ron Hansen, Superintendent of Banking

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: August 14, 2017

| | | | |
|------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------|---------------------------------------|
| Iowa Appraiser Regulatory Program (State) | | | |
| State Board Title: Real Estate Appraiser Examining Board (Board) | PM: V. Metcalf | ASC Compliance Review Date: July 26 - 28, 2017 | Review Period: July 2015 to July 2017 |
| Umbrella Agency: Finance Bureau, Division of Banking, Department of Commerce | | Number of State Credentialed Appraisers on National Registry: 1,111 | 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

July 19, 2017

Ms. Karen Bivins, Administrator
Board of Real Estate Appraisers
Office of Professional & Occupational Regulation
Department of Professional and Financial Regulation
35 State House Station
Augusta, ME 04333

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

Dear Ms. Bivins:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Maine appraiser regulatory program (Program) on May 22-24, 2017, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

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

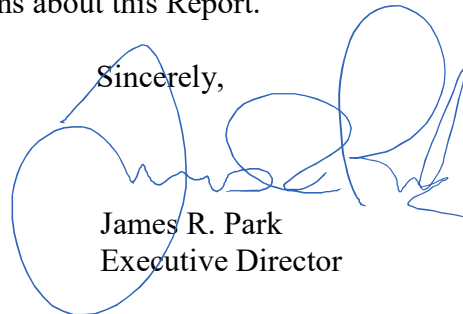
The ASC identified the following area of non-compliance:

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

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Maine 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. Ted Webersinn, Chair

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 Compliance Review Report

ASC Finding: Good
Final Report Issue Date: July 19, 2017

| | | | |
|-----------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------|--------------------------------------|
| Maine Appraiser Regulatory Program (State) | | | |
| Maine Board of Real Estate Appraisers (Board) / Decision Making | PM: V. Metcalf | ASC Compliance Review Date: May 22-24, 2017 | Review Period: June 2015 to May 2017 |
| Umbrella Agency: Department of Professional and Financial Regulation | | Number of State Credentialed Appraisers on National Registry: 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 | | | | | |
| States must, at a minimum, adopt and/or implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.) | | | | Up to 1/2 of an appraiser's continuing education (CE) requirement may be granted for participation, other than as a student, in such activities as teaching or authoring a textbook. Nothing in Maine's statute, regulations, and/or written policies limit the amount of CE that may be acquired from these types of activities. | On June 30, 2017, the State reported the Board was aware of the requirement to limit the hours permitted for teaching. However, the current rules do not allow for the limitation. The State reported they will amend its rules later this year. | The State must cease reporting to the National Registry appraiser credentials of applicants whose CE does not meet AQB Criteria. In addition, the State must amend its regulation to bring it into compliance with AQB Criteria. A copy of the amended regulation should be provided to ASC staff once finalized. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 1. |
| 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 | | | | | | |
| 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.) | | | | A Certified appraiser was permitted to renew a credential based solely on his hours spent teaching appraisal courses. AQB Criteria allows for up to 1/2 of an appraiser's CE for participation, other than as a student, in such activities as teaching or authoring a textbook. | On July 11, 2017, the State provided evidence to the ASC of 28 hours of appropriate CE from the Certified Appraiser to meet the 2015 and 2016 renewal. | None | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI 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

June 14, 2017

Mr. Robert Praytor, Administrator
Mississippi Real Estate Commission
Real Estate Appraiser Licensing and Certification Board
P O Box 12685
Jackson, MS 39236

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

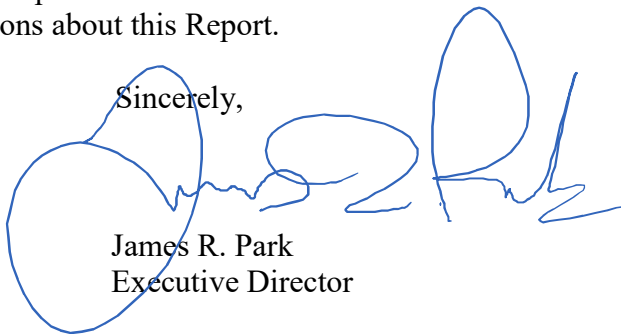
Dear Mr. Praytor:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Mississippi appraiser regulatory program (Program) on May 23-25, 2017, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

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

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

Sincerely,



James R. Park
Executive Director

Attachment
cc: Ms. Holly Hood, Administrative Assistant

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: June 14, 2017

| | | | |
|------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------|--------------------------------------|
| Mississippi Appraiser Regulatory Program (State) | | | |
| Mississippi Real Estate Appraiser Licensing and Certification Board (Board) / Decision Making | PM: C. Brooks | ASC Compliance Review Date: May 23-25, 2017 | Review Period: June 2015 to May 2017 |
| Umbrella Agency: Mississippi Real Estate Commission | | Number of State Credentialed Appraisers on National Registry: 1,066 | 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

May 15, 2017

Mr. Tyler Kohtz, Director
Nebraska Real Property Appraiser Board
P O Box 94963
Lincoln, NE 68509-4963

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

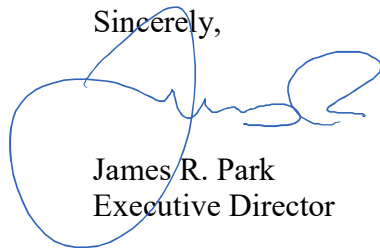
Dear Mr. Kohtz:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Nebraska appraiser regulatory program (Program) on March 14-16, 2017, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

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

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

Sincerely,



James R. Park
Executive Director

Attachment

ASC Finding Descriptions

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

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

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

ASC Compliance Review Report

ASC Finding: Good
Final Report Issue Date: May 15, 2017

| | | | | | |
|-------------------------------------------------------------------------|--|---------------|-------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------|
| Nebraska Appraiser Regulatory Program (State) | | | | | |
| Nebraska Real Property Appraiser Board (Board) / Decision Making | | PM: K. Klamet | | ASC Compliance Review Date: March 14-16, 2017 | |
| Umbrella Agency: Independent | | | Number of State Credentialed Appraisers on National Registry: 646 | | Review Period: March 2015 to March 2017 |
| 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 | | | | |
| State agencies must not impose excessive fees or burdensome requirements for temporary practice permits. (12 U.S.C. § 3351; Policy Statement 2 B.) | | | | ASC Policy Statement 2 prohibits States from imposing appraiser qualification requirements upon temporary practitioners that exceed Appraiser Qualifications Board (AQB) Criteria. Nebraska statute (§76-2227 (6)) and regulations (Title 298, Chapter 3, 002.03 and 002.04), require that temporary permit applicants demonstrate a general knowledge of Nebraska law by successfully completing 70% or more of the questions on a review provided by the Board. | On April 21, 2017, the State reported that this requirement has not and will not be implemented in practice. The Board recognizes the findings of the ASC and adopted Guidance Document 17-01 to publicly promulgate its interpretation of the statute for the enforcement of this provision. The State also reported that a bill to amend the statute will be introduced during the next legislative session beginning on January 1, 2018 and rule revisions will begin within the next few months. | The State should continue the process to amend its statute and regulations to bring them into compliance with ASC Policy Statement 2, and provide the ASC staff with a copy of the final statute and 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 2. |
| 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. | The State reported that temporary practice permits were not processed within five business days due to periods of staff turnover. The State advised that more emphasis will be placed on processing temporary permits in a timely manner including cross-trained staff. In addition, the procedure has been updated to ensure that the process is current and easy to follow. The Board will discuss this matter during its upcoming strategic planning meeting to determine if additional steps are needed. | None | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2. |

ASC Compliance Review Report

ASC Finding: Good
 Final Report Issue Date: May 15, 2017

| | | |
|------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------|
| Nebraska Appraiser Regulatory Program (State) | | |
| Nebraska Real Property Appraiser Board (Board) / Decision Making | PM: K. Klamet | ASC Compliance Review Date: March 14-16, 2017 |
| Umbrella Agency: Independent | Number of State Credentialed Appraisers on National Registry: 646 | Review Period: March 2015 to March 2017 |
| 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 | | | 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

August 8, 2017

Ms. Linda Capuchino, Division Director
Division of Technical Professions
New Hampshire Real Estate Appraisers Board
Office of Professional Licensure and Certification
121 South Fruit Street, Suite 201
Concord, NH 03301

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

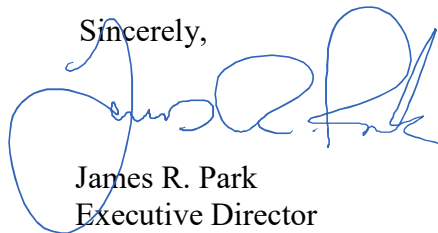
Dear Ms. Capuchino:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the New Hampshire appraiser regulatory program (Program) on May 9-11, 2017, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

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

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

Sincerely,



James R. Park
Executive Director

Attachment
cc: Mr. Peter Danles, 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 Compliance Review Report

ASC Finding: Excellent
Final Report Issue Date: August 8, 2017

| | | | |
|---------------------------------------------------------------------|---------------|-------------------------------------------------------------------|-------------------------------------|
| New Hampshire Appraiser Regulatory Program (State) | | | |
| New Hampshire Real Estate Appraisers Board (Board) | PM: K. Klamet | ASC Compliance Review Date: May 9-11, 2017 | Review Period: May 2015 to May 2017 |
| Umbrella Agency: Office of Professional Licensure and Certification | | Number of State Credentialed Appraisers on National Registry: 733 | 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 |

May 31, 2017

Mr. Justin Barney
Hearing Officer and Records Manager
Utah Department of Commerce
Division of Real Estate
Heber M. Wells Building
1600 E 300 S
Salt Lake City, UT 84111-2316



RE: Proposed Amendments to Utah Appraisal Management Company Administrative Rules (R162-2e) – DAR File No. 41024, Filed on April 7, 2017 and Published May 1, 2017 in 2017-9 of the Utah State Bulletin

Dear Mr. Barney:

On behalf of the Real Estate Valuation Advocacy Association ([REVA](#)) and the registered Utah appraisal management companies (AMCs) it represents, please accept the following comments outlining our serious concerns regarding the latest [proposed amendments to Utah AMC Administrative Rules \(R162e\)](#). [The proposed amendments were filed](#) by the Utah Appraiser Licensing and Certification Board (UALCB) on April 7, 2017, published on May 1, 2017, and if adopted would affect as many as 100 Utah-registered AMCs as well as lenders who originate residential mortgages for Utah consumers.

REVA has fundamental concerns about the integrity of these rules and the exclusive nature by which they were created. The fundamental role of the REAB is to protect the public trust in the appraisal process. There is no mandate by the Utah legislature that this regulatory body serve as an advocacy group for the blatant self-benefit of one regulated group at the expense of another regulated group. Furthermore, these rules do nothing to benefit Utah consumers or enhance public trust.

The following outlines our primary concerns with these proposed rules and suggested recommendations.

A. Proposed Rules are Excessive and Anti-Competitive

The proposed rules are overly invasive into the day-to-day operations of AMCs. They are also patently anti-competitive as they heap excessive regulatory burdens upon Utah-registered AMCs for the sole purpose of benefiting Utah-registered appraisers, and they do not provide any articulable benefit to Utah mortgage consumers. It surely is not lost on anyone, least of all the Federal Trade Commission that these pro-appraiser, anti-free-market rules are being promulgated by a regulatory board that is composed almost entirely of appraisers, and has repeatedly refused to consider alternatives that are less burdensome for AMCs.

B. Lack of Transparency and Insufficient Industry Input

These recently-proposed rules are nearly identical to the proposed rules published in November of 2016, except that they clarify the use of the Veteran's Administration survey in determining customary and reasonable appraiser fees. You will recall that REVA voiced significant concerns regarding the previously-proposed rules in a letter to this board dated January 17, 2017, and testified regarding those concerns—along with other industry-leading AMCs—at a public hearing held before the UALCB on January 25, 2017. At that hearing, REVA expressed deep apprehension about not only the impact of the proposed rules on AMCs and residential mortgage lending, but also the lack of transparency in developing the rules and the board's failure to seek input from AMCs and lenders serving Utah consumers.

According to the hearing testimony of the apparent drafter of the rules, who identified himself as a member of an openly anti-AMC group (the Utah Association of Appraisers, or "UAA"), multiple discussion and drafting sessions were held during 2016. However, REVA was not informed of or invited to any of the sessions. The board acknowledged this oversight, withdrew the originally-proposed rules, and pledged to take the input of REVA and other AMCs members into account before moving forward with any similar rules. Yet remarkably, neither REVA nor any of its members, nor any lenders serving Utah consumers, were contacted regarding

the re-proposed rules before they were finalized and published. Further, it does not appear that the board sought input from any Utah-registered AMCs, notwithstanding that the re-proposed rules quite overtly favor the interests of one board-regulated group (appraisers) over the interests of another board-regulated group (AMCs), and would very negatively affect the day-to-day operations of every AMC operating in Utah.

REVAA had looked forward to engaging in constructive dialogue with the board regarding future rules, but this did not come to fruition. We are disappointed that the board has failed to take us up on our offer of assistance and astonished that it has chosen to impose onerous new requirements on AMCs without fairly considering AMC input. Due to the board's repeated refusal to consider constructive AMC feedback we believe it cannot have reasonably assessed whether the public benefits it anticipates from the rule—as opposed to the benefits anticipated for appraisers—justify the imposition of such onerous, expensive and resource-wasting obligations upon AMCs.

Let us be clear. Without question, the proposed rules create new obligations and impose significant new costs on AMCs. The contradictions contained in the Rule Analysis suggest that neither the board nor the Department sought or received sufficient input, and that an adequate evaluation of the rule's fiscal impacts was not performed. Additionally, the board's behavior subsequent to the January 25 hearing implies a level of antipathy toward AMCs that is deeply concerning to our members.

C. UALCB May Have Violated Utah Rulemaking Requirements

Failure to Involve Affected Persons and Develop Flexible Approaches

Utah's rulemaking statute requires each agency to develop and use flexible approaches in drafting rules that meet the needs of the agency and involve persons affected by the agency's rules. See [63G-3-301\(3\)](#). Yet as noted above, neither REVAA nor any of its AMC members were ever consulted by the board during the rule making process. Moreover, to the best of our knowledge no lenders or major banks were consulted during the drafting of either the former or current proposed rules. It is abundantly clear that the board did not adequately involve persons affected by their contemplated rule change in violation of [63G-3-301\(3\)](#).

Failure to Reasonably Analyze Fiscal Impact on AMCs

In violation of [63G-3-301\(5\)](#) of the Utah Rulemaking Act, the UALCB failed to conduct a thorough analysis of the fiscal impact of the new proposed rules on AMCs. This failure is apparent in the completed *Rule Analysis*, which indicates that the proposed rules will not add any increased costs or compliance related costs to businesses, despite acknowledging that the new rules do impose new obligations. UALCB's conclusions that the proposed amendment "does not create new obligations for small businesses nor does it increase the cost associated with any existing obligation" and that "[s]ome AMCs will likely incur compliance costs but these costs will vary among the AMCs and there is no way to determine with specificity the amount of these costs" are not consistent with the facts or the record.

Failure to Gather Facts, Data, Seek Guidance

The Utah Rulemaking Act outlines requirements for making, amending or repealing a rule. In part, the Act requires a thorough analysis of a proposed rule's purpose or reason, the compliance costs it imposes upon affected persons, its fiscal impact on businesses, and its anticipated cost or savings to small businesses. See 63G-3-301 sections (5) and (8). As the leading AMC trade group, we can report that neither our office nor any of our member companies were asked by the board or the Director of the Division of Real Estate to provide any information for this required analysis. Therefore, not surprisingly, the published proposed rules are devoid of such data or analysis. This is an egregious failure given that REVAA and two member company representatives offered to serve as a resource for the board, and the Board committed to work with us to better understand the impacts of the proposed amendments and consider constructive changes.

Facts, Data, and Guidance Disregarded

In a letter dated January 17, 2017, REVAA apprised the board of the potential effects of the initial proposed amendments. Although we acknowledged that impacts would vary, largely due to differences in AMC business models, for many AMCs the changed rules would clearly impose substantial implementation costs (ranging from \$5,000 to \$30,000 per company) as well as significant ongoing operational costs. Given this prior input, the board was on notice that if they re-proposed the amendments it would be important to carefully complete the analysis required under the Utah Rulemaking Act. And as noted, the board was aware that REVAA and other licensed Utah AMCs were eager to share information about the effects of the proposed amendments. Despite this, the Board appears to have chosen to disregard input from AMCs.

Misrepresentation of Comments and Testimony

It appears the board not only failed to engage in even a rudimentary investigation and analysis, but also misrepresented submitted comments and testimony by stating that:

- The proposed amended rules do not “create new compliance obligations”;
- They do not “increase the cost associated with any existing obligation”; and
- “there is no way to determine with specificity the amount of these costs.”

It is inconceivable that the board or the director could make such statements when the comments submitted by REVAA, as well as the testimony of REVAA and AMC representatives at the January 25th meeting, clearly communicated that the proposed rule amendments would result in significant additional obligations, process changes, IT changes, compliance risks, and costs that could impair the ability of AMCs to provide services to lenders doing business in Utah.

Further, in its *Rule Analysis* the Board mischaracterized the comments and testimony of REVAA and certain of its members by stating that commenters “indicated that these costs could be lessened if a transition period were provided for compliance with the proposed rule.” **REVAA and other AMC representatives clearly communicated that the proposed amendments would have meaningful compliance, procedural, and IT impacts, and would result in significant costs if implemented.** The importance of a transition period was noted for independent reasons, without any suggestion that a transition period might mitigate implementation costs.

Inappropriately Favoring the Interests of One Regulated Group

The proposed amendments unfairly establish public policy that prioritizes the interests of one regulated group, residential appraisers, to the detriment of another regulated group, AMCs, without any identified or measurable benefit for Utah consumers.

- Inconsistent with Mission of Department of Commerce. The proposed amendments are inconsistent with the mission of the Utah Department of Commerce Division of Real Estate: “*The mission of the Utah Division of Real Estate is to protect the public and promote responsible business practices through education, licensure, and regulation of real estate, mortgage, and appraisal professionals.*” State regulatory bodies like the UALCB must be fair and balanced, and refrain from advocating for the interests of one regulated group over another. The UALCB is only authorized to make rules **consistent with and necessary to implement** the Appraisal Management Company Registration and Regulation Act (§ 61-2e-103). *Emphasis added.* The Act certainly does not speak to matters such as how an AMC determines appraiser rankings within its panel, or how appraiser assignments are to be solicited. Rather, the Act leaves these competitive business judgments to the sound discretion of each AMC operating in Utah.
- Unfair Targeting of AMCs. It does not appear that a consistent standard is applied with respect to the regulation of businesses in Utah. It seems that AMCs are being unfairly targeted through the attempted implementation of regulations that would allow regulators to micromanage their business practices in a manner not seen in other regulated private sector businesses. REVAA members consider the UALCB’s attempt to dictate AMC business practices to be anti-business, anti-competitive, and unnecessarily intrusive.

D. REVAA Recommendations

RECOMMENDATION 1: Withdraw Proposals on AMC Scorecards and Appraiser Solicitation

For the reasons indicated below, REVAA urges the UALCB to immediately withdraw the proposed amendments pertaining to AMC scorecards (R162-2e-304) and broadcast solicitations (R162-2e-306). These proposed amendments are unnecessary, punitive, and premature, as no compelling need for such requirements has been established. Once again, as with the nearly-identical amendments proposed in late 2016, there has been no substantive stakeholder discussion to try to find common ground or credible analysis to determine the actual operational and financial impacts on consumers, AMCs, lenders, and small businesses. REVAA suggests that the UALCB withdraw the current proposed amendments and take the time necessary to engage ALL stakeholders, including Utah lenders, in a real dialogue about how to amicably achieve its proper objectives.

- **AMC Scorecards & Disclosure of Ranking Criteria (R162-2e-304)**

The proposed regulation amounts to regulatory overreach into the private business practices of AMCs. Although some REVAA members already employ the business practices the UALCB seeks to impose, for many others doing so would be burdensome both operationally and economically. Furthermore, many AMCs utilize complex, proprietary methods of measuring appraiser performance, and clients typically weigh the relative strengths and weaknesses of the methods employed by competing AMCs when selecting a vendor management partner. If an AMC's method of measuring appraiser performance is illegal—and the UALCB has not alleged, let alone proven, that any AMCs operating in Utah are measuring appraiser performance in a manner that is illegal—there is no proper basis for the UALCB to interfere with the relationships between AMCs and their clients.

- **Responding to Written Requests Regarding Decreased Assignments (R162-2e-304(2))**

The proposal in R162-2e-304(2)(a) is unlike any other AMC regulatory provision in any other state in that it requires an AMC to explain any decrease in the order volume received by a appraiser, if at any time the appraiser requests such an explanation. We are unaware of any precedent for such a practice in any other industry or profession, and suggest that it is an entirely inappropriate requirement to impose on Utah AMCs, given that neither federal nor Utah law requires an AMC to provide any minimum number of assignments to the independent contractor appraisers on its panel. Furthermore, the rule presumes, without any basis, that if an appraiser has not received any recent assignments from an AMC then the AMC must necessarily have “determined” to either decrease the appraiser's assignments, cease offering the appraiser assignments, or remove the appraiser from its panel outright. This is plainly feeble logic, which stems from the absurd premise that all independent contractor appraisers may reasonably expect (or perhaps are even entitled to) a regular and consistent flow of assignments.

The proposed requirement is also seriously flawed in that it does not distinguish between independent contractor appraisers and appraisers who are employed by an AMC. It would be ludicrous to require an AMC to provide the disclosures contemplated by R162-2e-304(2) to appraisers whom it employs, yet because the Utah Appraisal Management Company Registration and Regulation Act broadly defines the term “Appraiser panel” to mean “a group of appraisers that are selected by an appraisal management company to perform real estate appraisal activities for the appraisal management company,” that is exactly what the proposed rule would require.

Requiring an AMC to respond in writing to requests for information on decreased order volume sent to appraisers could potentially create a significant burden to AMCs depending on the number of such requests received. For example, an appraiser or group of appraisers with nefarious intent could send repeated requests to an AMC to intentionally burden the AMC.

It appears the proposed requirement may be designed to incent AMCs to assure a steady and predictable the volume of orders for appraisers, yet AMCs are incapable of doing so, given that they do not receive steady and predictable business from the lenders and/or underwriters they support. And of course, there is no corresponding expectation that appraisers commit to accepting orders from AMCs. This again speaks to the inherent unfairness of the proposed amendments and the board's favoring one regulated group over another.

- **Prohibition on Multiple Order Solicitations (R162-2e-306)(1)**

Proposed rule R162-2e-306(1) would prohibit AMCs from offering an appraisal assignment to more than one appraiser at a time, effectively prohibiting AMCs from utilizing modern technology to more efficiently assign orders to qualified and competent appraisers. Interestingly, however, the restriction would apply only to AMCs; lenders would remain free to place assignments using modern practices, suggesting that the board does not object to the practices themselves, but merely their utilization by AMCs.

This proposal appears to be rooted in an erroneous perception that all “broadcast solicitations” are similarly structured and operate like a free-for-all order “auction”; this perception is based on a fundamental misunderstanding of the processes that well-managed AMCs use to offer assignments to multiple appraisers at the same time. Industry-leading AMCs only utilize such mechanisms to seek engagements with appraisers that have already been pre-screened and determined to be qualified and competent for the assignment.

REVAA membership feels this proposed rule unreasonably interferes with a legal, private interaction, and is not a rule that the board has authority to promulgate under U.C.A. § 61-2e-103. The sole factor with which the board is concerned appears to be the interest of certain appraisers who do not wish to potentially lose business due to their own non-responsiveness. We believe that Utah consumers are better served when Utah appraisers are allowed to compete on a level playing field.

- **Minimum Assignment Response Times and Business Day Limitation (R162-2e-306(a) and (b))**

- » 60 Minute Minimum (R162-2e-306(2)(a)) – This proposed rule would mandate that an AMC give an appraiser a minimum period of time (60 minutes) in which to consider and respond to an AMC order offer. Enacting this provision will necessarily result in extended assignment and completion timeframes, which ultimately lengthens the lending process and harms consumers.

- » Weekends and Holidays Off (R162-2e-306(2)(b)) – This proposal would essentially permit appraisers to take weekends off by providing that they need only consider and respond to offers during business days. Its sole purpose appears to be to allow appraisers who do not wish to work on weekends and/or holidays to compete with appraisers who do *choose* to do so. REVAA questions the need for the proposal, the merit of the proposal, and the board’s authority to advance it under U.C.A. § 61-2e-103. Again, the board appears to be prioritizing the interests of appraisers over the public interest.

- » Limiting Scorecard Rating to Business Days Only (R162-2e-306(4)) – Mandating that AMCs only count business days for purposes of ranking or grading appraisers would be wholly contrary to the way the industry currently operates, and would require AMCs to maintain special Utah processes and create a special scorecard metric solely for Utah appraisers. This proposal would negatively affect consumers and directly interfere with existing AMC/client contractual requirements that require Saturday to be included in turn-time calculations. Many AMCs must staff on Saturdays because that is what clients and their borrowers require.

In summary, both R162-2e-304 and R162-2e-306 are clearly designed to benefit appraisers at the expense of AMCs, even though the proposals do not support any articulated public purpose and would not benefit Utah consumers. This raises the specter of a board comprised of market participants that is attempting to impose anti-competitive requirements that favor its industry peers despite the absence of a legitimate state interest.¹

¹ The U.S. Supreme Court held in [NORTH CAROLINA STATE BOARD OF DENTAL EXAMINERS v. FEDERAL TRADE COMMISSION, 135 S.Ct. 1101 \(2015\)](#), that a state occupational licensing board primarily composed of active market participants may be immune from antitrust law only if the state has clearly articulated an anticompetitive policy and is actively supervising such policy.

RECOMMENDATION 2: Use of Veterans Administration Fee Schedule for Alternative Presumption

In general, REVAA believes that the re-proposed version of R162-2e-304(3) better aligns with federal law. Most importantly, it maintains the presumptions of compliance set out in Utah Code Subsection 61-2e-304(2)(b).

However, adopting the VA fee schedule raises significant questions that it appears the UALCB may have failed to adequately consider. Because the schedule was developed for a unique purpose and scope of work, its use as the basis for a customary and reasonable fee “safe harbor” is questionable for multiple reasons. For example:

- *Is it reasonable, fair to consumers, and in keeping with the spirit of existing regulatory guidance to base minimum appraiser fees for ALL transactions on published maximum appraiser fees for a particular transaction type?*
- *Does it make sense to adopt “one-size-fits-all” fee guidance that provides for premium payment for ALL transactions—including transactions with minimal complexity, transactions with generous turn-around times and/or transactions that may be completed by an appraiser with only basic professional qualifications—or is it more proper to allow for higher fee payments for appraisers who tackle more complex assignments, adhere to higher standards, and/or utilize specialized expertise?*
- *If the proposal is adopted and lenders/AMCs begin to broadly embrace the VA Fee Schedule safe harbor, will it incent Utah appraisers to begin refusing to accept complex assignments in the future (i.e., given that they would expect to receive essentially the same fee for complex and non-complex transactions)?*

Thank you for considering our comments. We urge the board to carefully consider these and other related questions before taking final action on this proposal.

It remains our sincere hope to be a valued resource for the UALCB as it seeks fair and practical solutions to public policy issues of mutual interest to appraisers and AMCs.

Respectfully,



Mark Schiffman
Executive Director

cc: Senator Howard Stephenson, Chair, Utah Administrative Rules Review Committee
Francine Giani, Utah Department of Commerce
Sean Reyes, Utah Attorney General
Lisa Kopchik, Federal Trade Commission
James Park, Appraisal Subcommittee

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
FEBRUARY 10, 2017**

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

ATTENDEES

ASC MEMBERS: FRB – Art Lindo (Chair)
CFPB – Calvin Hagins
FDIC – Marianne Hatheway
FHFA – Robert Witt
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
Policy Manager – Claire Brooks
Policy Manager – Kristi Klamet
Policy Manager – Vicki Metcalf
Policy Manager – Jenny Tidwell
Management and Program Analyst – Lori Schuster
Administrative Officer – Brian Kelly

OBSERVERS: Appraisal Foundation – David Bunton
Appraisal Foundation – Cathy Johnson
Appraisal Foundation – Edna Nkemngu
Appraisal Institute – Brian Rodgers
CFPB – Paul Sanford
FDIC – Michael Briggs
FDIC – Suzy Gardner
FDIC – Lori Thompson
FRB – Gillian Burgess
FRB – Carmen Holly
FRB – Matt Suntag
FRB – Kirin Walsh
HUD – Robert Frazier
OCC – Kevin Lawton

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

REPORTS

- **Chairman**

A. Lindo welcomed observers to the Meeting. The ASC's January 11th Meeting was rescheduled to today. Mira Marshall, CFPB's primary representative, retired in December and CFPB will name a new representative shortly. He also noted that the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) Report will be issued to Congress in the coming months.

- **Executive Director**

J. Park reported on staff activities since the ASC's November 9th Meeting. A federal hiring freeze went into effect on January 22nd and will remain in place until the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM) prepare an attrition plan to reduce the number of civilian federal employees. A freeze on regulations, effective on January 20th, will delay the final Rule on the AMC Registry Fee. Staff will continue to work on the final Rule but it will be given a lower priority until more information is known about the regulatory freeze. The ASC Proposed Revised Policy Statements were published for comment in the *Federal Register* on January 10th. Staff has determined that the Statements are also affected by the regulatory freeze. R. Witt asked if the regulatory freeze would affect the development of the AMC National Registry. J. Park responded that the Registry development is ongoing.

He also reported on the following:

- On January 18th, D. Bunton and J. Park participated in a webinar sponsored by the Network of State Appraiser Organizations with approximately 800 persons in attendance.
- The Appraisal Foundation Board of Trustees has suspended the activities of the Appraisal Practices Board.
- The Appraiser Qualifications Board will finalize Criteria revisions later this year.
- Staff is continuing development of the Unique Identifier project. No State has expressed an unwillingness to participate. Staff hopes to have all credentials converted by the end of 2017.

- **Delegated State Compliance Reviews**

D. Graves reported on State Compliance Reviews completed pursuant to delegated authority since the ASC's November 9th Meeting. Four State Compliance Reviews were finalized and approved by the Executive Director under delegated authority. Colorado and North Carolina were each awarded a Finding of "Excellent" and both will remain on a two-year Review Cycle. Michigan and Minnesota were each awarded a Finding of "Good" and

both will remain on a two-year Review Cycle. Two State Compliance Reviews were finalized and approved by the Chairman under delegated authority. New Jersey and Vermont were each awarded a Finding of “Needs Improvement” and both will remain on a two-year Review Cycle with off-site monitoring. M. Hatheway asked how ASC staff determines which rating to award a State. D. Graves responded that if a State has resolved the issue(s) or has taken steps to resolve the issue(s), that is taken into account when determining the rating. M. Hatheway noted the report language indicated that Vermont had less serious issues than New Jersey but both States were given the same rating. D. Graves responded that Vermont had several issues which require specific actions that ASC staff will need to monitor and that raised their rating to the next level. R. Taft noted that this is the third consecutive review in which New Jersey was shown to need improvement and that maybe the language should have been stronger. D. Graves responded that staff can look at the rating procedures and language in the letter to see if changes should be made.

D. Graves provided an analysis on State Compliance Review Findings Data and Trends over the last five Compliance Review cycles that showed an overall improvement in State compliance with Title XI. ASC staff attributes the improvement in part to the Investigator Training Program for States which has helped States prepare investigations that are better documented and presented. Staff also attributes the improvement to the revised ASC Policy Statements that went into effect in June 2013, which included a refined Compliance Review Rating System to better reflect a State Program’s compliance with Title XI. D. Graves also said that the ASC Policy Managers are doing a great job working with the States. The Policy Managers are proactive in keeping the States apprised of changes in requirements and other topical issues. B. Gardner noted that when the AQB Criteria are revised, it seems to increase non-compliance because States may not be making the needed changes before the revised Criteria go into effect. D. Bunton responded that States were given four years notice for the Criteria changes that went into effect in 2008 and 2015. He added that the Appraisal Standards Board adopted the new edition of USPAP last week and it will go into effect on January 1, 2018. D. Graves said that some States incorporate USPAP by reference while other States have to make regulatory changes which can cause them to be out of compliance or have an area of concern if not timely.

- **Financial Manager**

G. Hull reported on the following:

- ASC staff was asked to provide information regarding the ASC’s reserve balance, specifically what funds are included and how the appropriate reserve amount is determined. The reserve balance is determined based on the minimum funding level required to cover the ASC’s budgeted expenses for an entire fiscal year in the event that the ASC has inadequate cash receipts or no cash receipts for a particular fiscal year. Items included in the normal operating expenses consist of items such as personnel compensation, special projects, travel, rent, printing, contracted services and IT services. An amount is also included to cover federal grants. ASC Strategic Plan

Objective 6.1 states that the ASC will “maintain a minimum one-year operating reserve in the ASC’s U.S. Treasury account.” While a minimum reserve has not been formally adopted, it has been ASC practice to maintain an amount near \$4.2 million as suitable.

- The ASC’s FY16 audit was completed with a clean opinion and no findings. A copy will be provided to ASC members and will also be included in the 2016 ASC Annual Report.
- The ASC staff reviewed and approved the Appraisal Foundation’s September 2016 grant reimbursement request in the amount of \$82,086. Included in the request were costs related to the State Investigator Training Course in St. Louis, MO on September 19-21 attended by 37 staff from 22 States. A balance of \$57,792 remains in the 2016 grant.

M. Hatheway requested G. Hull send ASC members a spreadsheet of the numbers discussed in his report today. A. Lindo asked what percentage would be used to account for annual increases and asked for an average over a 3 to 5-year period. (T. Segerson joined the meeting.) M. Hatheway noted that there might be critical projects for funding that should be included in the reserve balance.

ACTION ITEMS

- **November 9, 2016 Open Session Minutes**

C. Hagins made a motion to approve the November 9th open session meeting minutes as edited. R. Taft seconded and all members present voted to approve.

- **FY16 Appraisal Foundation Grant Reprogramming Request**

G. Hull presented the Foundation’s reprogramming request for \$57,792. If approved, the remaining FY16 grant funds would be expended. M. Hatheway moved for approval in the amount of \$57,792. C. Hagins seconded and all members present voted to approve.

The Open Session adjourned at 11:00 a.m. The next ASC Meeting will be May 10, 2017.