

■ ■ ■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

June 18, 2018

Ms. Amy Fecher, Chief Transformation Officer
Office of Governor Asa Hutchinson
500 Woodland Street, Suite 250
Little Rock, AR 72201

Dear Ms. Fecher:

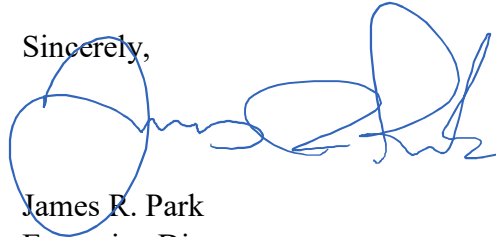
The purpose of this letter is to ensure that you are aware of a unique federal oversight to one of your State programs. The Arkansas real estate appraiser program is one of many important State programs. However, the Federal government has oversight and enforcement authority over the Board's federally-related functions and operations pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (Title XI). Title XI created the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC) and made it responsible for monitoring State appraiser regulatory programs. The ASC conducts on-site Compliance Reviews to assess each State's program for compliance with Title XI.

The ASC was created on August 9, 1989, pursuant to Title XI in response to the "Savings and Loan Crisis," Congress adopted Title XI to address the problem of unregulated persons performing incompetent and/or fraudulent appraisals for federally regulated financial institutions. Title XI's purpose is to "provide that Federal financial and public policy interests in real estate transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision.

ASC Policy Statements set forth the general position of the ASC concerning the structure of State appraiser regulatory programs. The ASC recognizes each State has legal, fiscal, regulatory or other factors that may influence the structure and organization of its program. Therefore, a State has flexibility to structure its program so long as it meets its Title XI-related responsibilities. ASC Policy Statement 1A, *State Regulatory Structure*, includes the following guidance: *States should maintain an organizational structure for appraiser certification, licensing and supervision that avoids conflicts of interest. A State agency may be headed by a board, commission or an individual. State board or commission members, or employees in policy or decision-making positions, should understand and adhere to State statutes and regulations governing performance of responsibilities consistent with the highest ethical standards for public service. In addition, Appraiser Programs using private entities or contractors should establish appropriate internal policies, procedures and safeguards to promote compliance with the State agency's responsibilities under Title XI and these Policy Statements.*

The ASC is required to provide an Annual Report to Congress which provides a more detailed explanation of the unique partnership and regulatory structure created by Title XI between the Federal and State governments and the private sector. The most recent 2017 Annual Report and ASC Policy Statements are located on our website (www.asc.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "James R. Park", is written over the word "Sincerely,". The signature is fluid and cursive, with a large initial "J" and "P".

James R. Park
Executive Director

cc: Ms. Diana Piechocki, Appraiser Licensing and Certification Board Executive Director