



Appraisal Subcommittee

Federal Financial Institutions Examination Council

Overview of the Compliance Review Process

Updated April 20, 2021

The Appraisal Subcommittee (ASC) performs an on-site Compliance Review (Review) of all State¹ appraiser and AMC regulatory programs (Programs) on a two-year Review Cycle. If significant concerns regarding a Program's compliance with Title XI are identified during a Review, a State Appraiser and/or AMC Program may be moved to a one-year Review Cycle, or a Follow-up Review may be scheduled, usually within six to nine months.

Approximately 60 days before the scheduled date of the Review, ASC staff contacts the State to request specific material be submitted prior to the Review.² The State is also provided with a questionnaire regarding the Program(s) to complete and return with the requested materials. The material submitted by the State is reviewed by the State's Policy Managers and ASC legal staff for consistency with Title XI and ASC Policy Statements. The lead Policy Manager will contact the State regarding specific files that must be made available at the on-site Review.

The on-site Review begins with an opening conference with State personnel to introduce ASC staff and address the scope of the Review process. The conference also gives State personnel an opportunity to ask any questions. Policy Managers then begin their review of the previously requested files, as well as randomly selected files, to evaluate for compliance with requirements of Title XI and ASC Policy Statements.³ The Policy Managers may ask follow-up questions of State staff during the Review to ensure accurate facts are gathered. At the conclusion of the on-site Review, the Policy Managers share their preliminary observations during an exit conference. The exit conference provides State personnel an opportunity to address and/or provide clarification regarding Policy Managers' preliminary observations.

Policy Managers regularly attend open State board⁴ meetings to observe and evaluate their effectiveness in carrying out Title XI-related duties. Policy Managers may also inform board members about the ASC and address any questions or concerns the board members may have about the Compliance Review process and current industry issues.

After the on-site portion of the review is concluded, ASC staff provides the State Program(s) with a Preliminary Compliance Review Findings Report. The State is given 60 days to respond. At the end of the 60-day period, or upon receipt of a response from the State, whichever occurs first, the ASC Compliance Review Report (Report) is finalized by the ASC Board. The approved Reports containing the ASC's findings, recommendations, and any required remedial action will be sent to the State. The Reports and transmittal letters are available to the public on the ASC's website at www.asc.gov under the Freedom of Information Act (FOIA).

¹ "State" refers to the 50 States, the District of Columbia, and four territories (Commonwealth of Puerto Rico, Commonwealth of the Northern Mariana Islands, Guam, and United States Virgin Islands).

² This material includes, but is not limited to, the State's relevant statutes, administrative rules and regulations, board meeting minutes, complaint logs, temporary practice application log, sample application packets for each classification of appraiser, and a list of all approved educational courses.

³ ASC staff will not disclose any confidential information such as Respondent, Applicant or Complainant names.

⁴ State boards may refer to committees or commissions, depending on the organization of the State's Program.