

**Appraisal Subcommittee**  
*Federal Financial Institutions Examination Council*

December 18, 2009

Mr. Artemio B. Ilagan, Director  
Department of Revenue & Taxation  
Government of Guam  
1240 Route 16  
Barrigada Heights  
Guam, 96913

Dear Mr. Ilagan:

The Appraisal Subcommittee (ASC) conducted an ASC Compliance Review (Review) of Guam's appraiser regulatory program (Program) on August 12, 2009. This is the final ASC Compliance Review Report (Report) on that Review.

The ASC has considered the staff's preliminary findings regarding the Review and the State's response. The ASC has determined that the Program is not in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (Title XI). The ASC identified the following area of concern:

- Guam must use a reliable means of validating experience claims on all initial applications, including tax assessors.<sup>1</sup>

In the response, the State indicated it has taken corrective actions, which are detailed in the attached Report. During the next Review, ASC staff will confirm that these corrective actions have taken place and are appropriate. Please also be advised that this letter and the attached Report are public record and available on the ASC website in accordance with the Freedom of Information Act.

Please contact us if you have any questions.

Sincerely,

Virginia M. Gibbs  
Chairman

Attachment  
cc: John Carlos

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<sup>1</sup> Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10G

**ASC Compliance Review Report**

**Finding: Not in Substantial Compliance**

Requirement/Guidance				Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
YES	NO	AC									
<b>Guam Appraiser Regulatory Program (Program)</b>											
Real Estate Appraiser Board - None				Compliance Review Date: August 12, 2009				Review Period: 05/2007 - 08/2009			
Umbrella Agency: Department of Revenue and Taxation (Department)				Number of Credentialed Appraisers on National Registry: 21				Issue Date: FINAL PM: N. Fenochietti			
<b>Guam Statutes, Reg's, Policies and Procedures:</b>											
	X					No compliance issues noted.	None	None	None	None	
<b>Temporary Practice:</b>											
	X					No compliance issues noted.	None	None	None	None	
<b>National Registry:</b>											
	X					No compliance issues noted.	None	None	None	None	
<b>Application Process:</b>											
States must use a reliable means of validating experience claims on all initial applications, including tax assessors. (Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria; ASC Policy Statement 10G.)				X			Only one appraiser was issued a State licensed credential during this review period. The file contained appropriate documentation of education, examination, and experience in the form of a log. However, the experience was not verified or reviewed.	The Department selected three reports from the appraiser's experience log and requested submission of the reports from the appraiser. Subsequently, the Department staff reported to the ASC that they had received the reports from the appraiser and would review for USPAP compliance.  In addition, the Department updated its appraiser application checklist to include a section that lists the appraisal reports selected by the Department from the experience log and a section to be used by the reviewer.	The Department must review work samples to determine USPAP compliance. If the samples are not compliant with USPAP, the Department must notify the ASC immediately.	None	ASC staff will continue to monitor this concern. During the next Review, the ASC will pay particular attention to this area for compliance with ASC Policy Statement 10G.

**ASC Compliance Review Report**

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Guam Appraiser Regulatory Program (Program)								
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Umbrella Agency: Department of Revenue and Taxation (Department)			Number of Credentialed Appraisers on National Registry: 21		Issue Date: FINAL PM: N. Fenochietti			
Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Education:	X							
Reciprocity:	X			No compliance issues noted.	None	None	None	None
Enforcement:	X			No compliance issues noted.	None	None	None	None
				No compliance issues noted.	None	None	None	None