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Appraisal Subcommittee

Federal Financial Institutions Examination Council

October 22, 2013

Ms. Vanessa Beauchamp, Executive Director
Missouri Real Estate Appraisers Commission
P O Box 1335
Jefferson City, MO 65102-1335

RE: Appraisal Subcommittee Staff Follow-Up Review

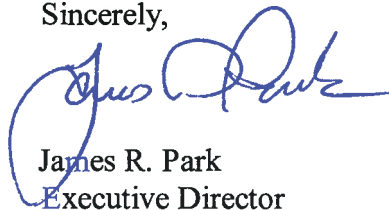
Dear Ms. Beauchamp:

Thank you for your cooperation and your staff's assistance in the October 1, 2013 Appraisal Subcommittee (ASC) staff Follow-up Review. This was a Follow-up Review of the August 6-8, 2012 ASC Compliance Review of the Missouri appraiser regulatory program.

As detailed in the attached Follow-up Report, Missouri resolved two of the three concerns identified in the February 13, 2013 Compliance Review Report. We look forward to your continued progress in addressing the remaining concern.

This letter and the attached Follow-up 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,



James R. Park
Executive Director

Attachment

ASC Staff Follow-Up Report: 2013 Compliance Review

Missouri Appraiser Regulatory Program (Program)						
Missouri Real Estate Appraisers Commission (Commission) /Decision Making			Follow-Up Review Date: October 1, 2013		Follow-Up Report Issue Date: October 22, 2013	
Umbrella Agency: Division of Professional Registration of the Department of Insurance (Division), Financial Institutions and Professional Registration			ASC Compliance Review Date: August 6-8, 2012		PM: V. Metcalf	
Requirement/Guidance	ASC Staff Assessment Compliance (YES/NO) Areas of Concern (AC)			Required/Recommended State Actions from the August 2012 Compliance Review	Status as of October 1, 2013 Follow-Up	Further Required Actions/Comments
	Yes	No	AC			
Missouri Statutes, Regulations, Policies and Procedures:			X			
States must have sufficient funding and staffing consistent with the purpose of Title XI. (Title XI § 1118 (a), 12 U.S.C 3347.)				<p>The Commission must ensure sufficient legal resources are available to resolve complaints filed against appraisers timely.</p> <p>To strengthen the Program, the Commission and Division should explore ways to encourage the appointment of members to the vacant positions.</p>	<p>The Commission, in coordination with the Department and Attorney General's Office, determined that revisions to the complaint disposition processes and not additional staffing would effectively address the failure to resolve complaints timely. During the Follow-up Review ASC staff found the new process reduced the backlog of aged cases.</p> <p>The status of the Commission remains essentially the same as it was at the time of the last Review. The 7 member Commission has 2 positions that have been vacant for more than 5 years and 3 positions with members serving on expired terms. Since the last Review, the Governor reappointed two members, subject to the advice and consent of the Senate. One member was confirmed. The Governor withdrew the other nomination. The withdrawal allowed the second member to continue to serve under the expired term. Another member's appointment expired on September 12, 2013.</p>	<p>Further Required Actions: None</p> <p>Comments: The Commission's ability to achieve a quorum is vulnerable as a quorum will be lost if even 1 of the existing members was absent or resigned. The ASC will pay particular attention to this area during the June 2014 Compliance Review.</p>
Enforcement:	X					
States should resolve all complaints filed against appraisers within one year, except for special documented circumstances. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statements.)				<p>Missouri must monitor its revised processes to ensure timely processing of complaints to reduce the backlog of aged complaints, and to ensure that the complaints of appraiser misconduct or wrongdoing are resolved on a timely basis as required by ASC Policy Statements.</p> <p>In addition, the Commission must continue to submit quarterly complaint logs to ASC staff.</p>	<p>The Commission, in coordination with the Department and Attorney General's Office, streamlined the complaint disposition process. Missouri now obtains settlement agreements earlier in the complaint disposition process. The Commission also implemented a "gentleman's agreements" process. Select respondents are given the opportunity to improve identified deficiencies without it being considered discipline. These agreements close cases with a letter detailing the perceived weaknesses, strongly suggesting the completion of specific courses, and work product review by the Commission for a specified period of time.</p> <p>The Legislature defeated a bill that would have given the Commission fining authority to use as another enforcement tool.</p> <p>As required in the Compliance Review Report, the Commission provided quarterly reports to allow ASC staff to monitor its progress in addressing the backlog of outstanding complaints. Missouri had 27 outstanding complaints of which 7 remained unresolved for more than 1 year. All 7 have special documented circumstances.</p>	<p>Further Required Actions: None</p> <p>Comments: The Commission should develop guidelines governing the "gentleman's agreements" to ensure consistent and appropriate use.</p>
Enforcement continued:	X					
States must appropriately document enforcement files and include rationale. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statements.)				<p>The Commission must ensure that all enforcement actions are properly documented and include clear rationale for dismissals and other final actions taken as required by ASC Policy Statements.</p>	<p>ASC staff reviewed 18 complaint files during the Follow-up Review and found the files were well documented and contained sufficient rational to support the actions taken by the Commission.</p>	<p>Further Required Actions: None</p> <p>Comments: None</p>