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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

April 23, 2015

Mr. David M. Derry, Board Chair  
Alaska Board of Certified Real Estate Appraisers  
Division of Corporations, Business & Professional Licensing  
Department of Commerce, Community and Economic Development  
P O Box 110806  
Juneau, AK 99811-0806

RE: Appraisal Subcommittee Staff Follow-Up Review

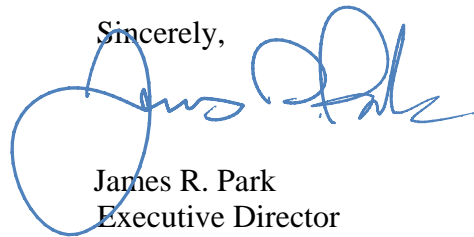
Dear Mr. Derry:

Thank you for your cooperation and your staff's assistance in the March 23-24, 2015, Appraisal Subcommittee (ASC) staff Follow-up Review. This was a Follow-up Review of the August 4-7, 2014 ASC Compliance Review of the Alaska appraiser regulatory program.

As detailed in the attached Follow-up Report, Alaska resolved four of the eleven concerns identified in the August 4-7, 2014 Compliance Review Report. ASC staff is, however, requiring further State actions. ASC staff will monitor the State's progress in addressing the remaining concerns, and could require other actions if sufficient progress is not made.

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

cc: Ms. Janey Hovenden, Director, Division of Corporations, Business & Professional Licensing  
Ms. Sara Chambers, Operations Manager

ASC Staff Follow-Up Report: 2014 Compliance Review

<b>Alaska Appraiser Regulatory Program (State)</b>		
<b>Alaska Board of Certified Real Estate Appraisers (Board)/Advisory</b>	<b>Follow-Up Review Date: March 23-24, 2015</b>	<b>Follow-Up Report Issue Date: April 23, 2015</b>
<b>Umbrella Agency: Department of Commerce, Community &amp; Economic Development, Division of Corporations, Business &amp; Professional Licensing</b>	<b>ASC Compliance Review Date: August 4-7, 2014</b>	<b>PM: K. Klamet</b>
<b>Follow-Up of Compliance Review Report Dated: January 14, 2015</b>	<b>ASC Finding: Not Satisfactory</b>	

Applicable Federal Citations	ASC Staff Assessment Compliance (YES/NO) Areas of Concern (AC)			Required/Recommended State Actions from the January 14, 2015 Compliance Review Report	Status as of March 23-24, 2015 Follow-Up	Further Required Actions/Comments
	Yes	No	AC			
<b>Statutes, Regulations, Policies and Procedures:</b>		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.)				The State must continue the process to amend its regulations to bring them into compliance with AQB Criteria, and provide the ASC staff with a copy of the final regulations once adopted.	Alaska began the rulemaking process to amend its regulations and ensure consistency with the AQB Criteria regarding: (1) Qualifying Education (QE); (2) Distance Education (DE); (3) Continuing Education (CE); and (4) Uniform Standards of Professional Appraisal Practice (USPAP) Instructor Requirements. The amended regulations are expected to become effective in July 2015.	<b>Further Required Actions:</b> Upon adoption, please provide ASC staff with a copy of the final regulations.  <b>Comments:</b> None
<b>Statutes, Regulations, Policies and Procedures continued:</b>		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.)				The State must continue the process to amend its regulations to bring them into compliance with AQB Criteria, and provide the ASC staff with a copy of the final regulations once adopted.	Alaska began the rulemaking process to amend its regulations and include CE requirements for Trainee Appraisers. The amended regulations are expected to become effective in July 2015.	<b>Further Required Actions:</b> Upon adoption, please provide ASC staff with a copy of the final regulations.  <b>Comments:</b> None
<b>Statutes, Regulations, Policies and Procedures continued:</b>		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.)				The State must continue the process to amend its regulations to bring them into compliance with AQB Criteria, and provide the ASC staff with a copy of the final regulations once adopted.	Alaska began the rulemaking process to amend its regulations and include minimum AQB Criteria for supervising appraisers. The amended regulations are expected to become effective in July 2015.	<b>Further Required Actions:</b> Upon adoption, please provide ASC staff with a copy of the final regulations.  <b>Comments:</b> None

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<b>Statutes, Regulations, Policies and Procedures continued:</b>	X					
States must have policies, practices and procedures consistent with Title XI. (12 U.S.C. § 3347; Policy Statement 1 A.)				Within 60 days of the date of this Report, the State must provide a copy of its updated policies and procedures and desk manual to ASC staff.	Alaska provided ASC staff with an updated copy of its policies and procedures and desk manual. These resources include policies, practices and procedures addressing: (1) timely payment of National Registry invoices; (2) processing of temporary practice permits within 5 business days upon receipt of a completed application; and (3) proper file maintenance.	<b>Further Required Actions:</b> None  <b>Comments:</b> None
<b>Statutes, Regulations, Policies and Procedures continued:</b>		X				
States must have a policy for issuing a reciprocal credential to an appraiser from another State under the conditions specified in Title XI. (12 U.S.C. § 3351; Policy Statement 5.)				The State must continue the process to amend its regulations to bring them into compliance with Title XI, and provide the ASC staff with a copy of the final regulations once adopted.	Alaska began the rulemaking process to amend its regulations to include a Title XI compliant policy for issuing a reciprocal credential. The amended regulations are expected to become effective in July 2015.	<b>Further Required Actions:</b> Upon adoption, please provide ASC staff with a copy of the final regulations.  <b>Comments:</b> None
<b>Temporary Practice:</b>		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.)				Within 60 days of the date of this Report, the State must provide ASC staff with written policies and procedures to ensure temporary practice applications are processed timely.	Alaska provided ASC staff with an updated copy of its policies and procedures and desk manual.  ASC staff reviewed temporary practice application files for all temporary practice permits issued since the last Compliance Review. Of 30 files reviewed, 4 were not issued within 5 business days of receipt of a completed application. These 4 applications were received during a time where there was no Program staff. Once new staff was hired the permits were issued timely. ASC staff found the files to contain sufficient documentation.	<b>Further Required Actions:</b> None  <b>Comments:</b> During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2.

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	Yes	No	AC			
<b>National Registry:</b>	<b>X</b>					
States must reconcile and pay National Registry invoices in a timely manner. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 B.)				Within 60 days of the date of this Report, the State must provide ASC staff with written policy and procedures to ensure National Registry invoices are paid timely.	Alaska provided ASC staff with an updated copy of its policies and procedures and desk manual.  The State had no outstanding National Registry Invoices at the time of the Follow-up Review.	<b>Further Required Actions:</b> None  <b>Comments:</b> ASC staff will pay particular attention to this area during the next Compliance Review to ensure continued compliance with ASC Policy Statement 3 B.
<b>Application Process:</b>		<b>X</b>				
States must maintain adequate documentation to support verification of all claimed education. (12 U.S.C. § 3347; Policy Statement 4 B, C.)				Within 60 days of the date of this Report, the State must provide ASC staff with written policies and procedures to ensure application files maintain adequate documentation to support verification of all claimed education.	Alaska provided ASC staff with an updated copy of its policies and procedures and desk manual.  ASC staff reviewed application files for all appraiser credentials issued since the last Compliance Review. The files contained adequate documentation to support verification of all claimed education.  During the review of application files, ASC staff found 5 of the 6 appraiser credentials issued since the last Compliance Review did not meet the minimum AQB Criteria and ASC Policy Statement 4 D. experience requirements as the State did not review work product to ensure USPAP compliance.	<b>Further Required Actions:</b> The State must: (1) Ensure the individuals identified as receiving an appraiser credential without meeting AQB Criteria have demonstrated completion of appropriate USPAP compliant experience to maintain their credential; and (2) Within 60 days of the date of this Report, the State must provide ASC staff with a written update on the status of the State's resolution of the credentialing issue.  <b>Comments:</b> ASC staff will pay particular attention to this area during the next Compliance Review to ensure compliance with AQB Criteria and ASC Policy Statement 4.

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	Yes	No	AC			
<b>Reciprocity:</b>		<b>X</b>				
States must have a policy for issuing a reciprocal credential to an appraiser from another State under the conditions specified in Title XI. (12 U.S.C. § 3351; Policy Statement 5.)				Within 60 days of the date of this Report, the State must provide ASC staff with a compliant reciprocal policy.	Alaska began the rulemaking process to amend its regulations to include a Title XI compliant policy for issuing a reciprocal credential. The amended regulations are expected to become effective in July 2015.  While on site, ASC staff reviewed 4 reciprocal (endorsement) application files. In practice, it appears Alaska complies with Title XI concerning reciprocity.	<b>Further Required Actions:</b> Upon adoption, please provide ASC staff with a copy of the final regulations.  <b>Comments:</b> ASC staff will pay particular attention to this area during the next Compliance Review to ensure compliance with Title XI and ASC Policy Statement 5.
<b>Education:</b>	<b>X</b>					
States must ensure the delivery mechanism for distance education courses offered by a non-academic provider has been approved by an AQB-approved organization providing approval of course design and delivery. (12 U.S.C. § 3347; Policy Statement 6 B, C.)				Within 60 days of the date of this Report, the State must provide ASC staff with a copy of the updated checklist.	Alaska provided ASC staff with copies of all updated checklists.  ASC staff reviewed the files for all education courses approved since the last Compliance Review. ASC staff found the files contained sufficient documentation to ensure that the delivery mechanism for distance education courses offered by a non-academic provider had been approved by an AQB-approved organization.	<b>Further Required Actions:</b> None  <b>Comments:</b> ASC staff will pay particular attention to this area during the next Compliance Review to ensure continued compliance with AQB Criteria and ASC Policy Statement 6.

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	Yes	No	AC			
<b>Education continued:</b>	<b>X</b>					
States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria. (12 U.S.C. § 3347; Policy Statement 6 A.)				<p>Within 60 days of the date of this Report, the State must provide ASC staff with written policies and procedures to ensure education files contain sufficient documentation to support that approved appraiser courses conform to AQB Criteria.</p>	<p>Alaska provided ASC staff with an updated copy of its policies and procedures and desk manual.</p> <p>ASC staff reviewed the files for all education courses approved since the last Compliance Review. ASC staff found the files contained sufficient documentation to support that the approved appraiser courses conform to AQB Criteria.</p>	<p><b>Further Required Actions:</b> None</p> <p><b>Comments:</b> ASC staff will pay particular attention to this area during the next Compliance Review to ensure continued compliance with AQB Criteria and ASC Policy Statement 6.</p>