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

March 9, 2017

Ms. Brenda Ashworth, Executive Director  
West Virginia Real Estate Appraiser Licensing and Certification Board  
405 Capitol Street, Suite 906  
Charleston, WV 25301

RE: ASC Compliance Review of West Virginia's Appraiser Regulatory Program

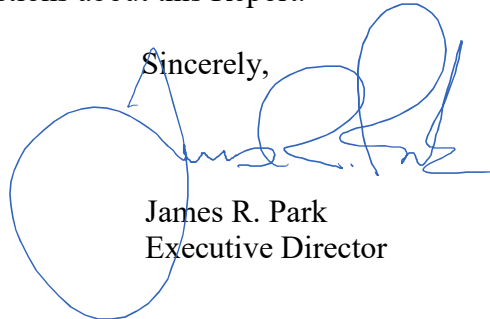
Dear Ms. Ashworth:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the West Virginia appraiser regulatory program (Program) on December 12-14, 2016, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Program has been awarded an ASC Finding of "Good." Areas of concern that were identified are being addressed by the Program and will be monitored by ASC staff. West Virginia will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) is attached.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



James R. Park  
Executive Director

Attachment  
cc: Mr. Glenn Summers, Chair

## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul>	1-year
Poor <sup>1</sup>	<ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>	Continuous monitoring

\*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

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<sup>1</sup> An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.

## ASC Compliance Review Report

ASC Finding: Good  
Final Report Issue Date: March 9, 2017

<b>West Virginia Appraiser Regulatory Program (State)</b>		
<b>West Virginia Real Estate Appraiser Licensing &amp; Certification Board (Board) / Decision Making</b>	PM: K. Klamet	ASC Compliance Review Date: December 12-14, 2016
<b>Umbrella Agency: Independent</b>		Number of State Credentialed Appraisers on National Registry: 572
<b>Review Period: December 2014 to December 2016</b>		
<b>Review Cycle: Two Year</b>		

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
<b>Statutes, Regulations, Policies and Procedures:</b>			<b>X</b>				
States must have policies, practices and procedures consistent with Title XI. (12 U.S.C. § 3347; Policy Statement 1 A.)				West Virginia has unwritten policies, practices and procedures that are not incorporated into their statutes or regulations and are not accessible to licensees and the public. There is a risk that the policies, practices and procedures may not be applied consistently if there are changes in State staff and/or Board members with no historical knowledge of the requirements.	On February 22, 2017, the State reported that the Board created a Policy Committee to address this area of concern. Using a working draft of their policies, practices and procedures, the West Virginia Statute/Code and AQB Criteria, the Committee will review all requirements to ensure that they are current, consistent and in compliance with State and Federal law.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 1.
<b>Temporary Practice:</b>	<b>X</b>						
				No compliance issues noted.	N/A	None	None
<b>National Registry:</b>			<b>X</b>				
States must submit all disciplinary actions to the ASC for inclusion on the National Registry. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 A, D, E.)				The State did not report all disciplinary actions to the National Registry.	On February 22, 2017, the State reported that all missing disciplinary actions were provided to the National Registry.  The State also reported that a process was set up to ensure that the National Registry is notified of all disciplinary actions.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
<b>Application Process:</b>	<b>X</b>						
				No compliance issues noted.	N/A	None	None
<b>Reciprocity:</b>	<b>X</b>						
				No compliance issues noted.	N/A	None	None
<b>Education:</b>	<b>X</b>						
				No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>	<b>X</b>						
				No compliance issues noted.	N/A	None	None