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Appraisal Subcommittee

Federal Financial Institutions Examination Council

September 18, 2017

Mr. Thomas Stevens, Chairperson
Montana Board of Real Estate Appraisers
Department of Labor and Industry
P O Box 200513
Helena, MT 59620-0513

RE: ASC Compliance Review of Montana's Appraiser Regulatory Program

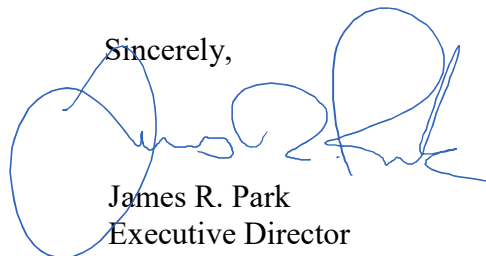
Dear Mr. Stevens:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Montana appraiser regulatory program (Program) on June 27-30, 2017, 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." An area of concern that was identified is being addressed by the Program. Montana 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: Ms. Sharon Peterson, Executive Officer
Mr. Todd Younkin, Division Administrator

ASC Finding Descriptions

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

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

¹ 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: September 18, 2017

Montana Appraiser Regulatory Program (State)			
Montana Board of Real Estate Appraisers (Board)	PM: J. Tidwell	ASC Compliance Review Date: June 27-30, 2017	Review Period: September 2015 to June 2017
Umbrella Agency: Montana Department of Labor & Industry		Number of State Credentialed Appraisers on National Registry: 382	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:	X			No compliance issues noted.	N/A	None	None
Temporary Practice:	X			No compliance issues noted.	N/A	None	None
National Registry:			X				
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 ASC National Registry.	On August 28, 2017, the State informed ASC staff that all missing disciplinary actions were reported to the ASC National Registry. The State also reported that new training, back-up, and check and balance processes were implemented that will ensure all future disciplinary actions are reported to the National Registry.	The State should monitor the new processes to ensure all future disciplinary actions are reported to the National Registry timely.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:	X			No compliance issues noted.	N/A	None	None