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

June 4, 2018

Ms. Jamie Wickliffe, Chair  
Texas Appraiser Licensing & Certification Board  
P O Box 12188  
Austin, TX 78711-2188

RE: ASC Compliance Review of Texas' Appraiser Regulatory Program

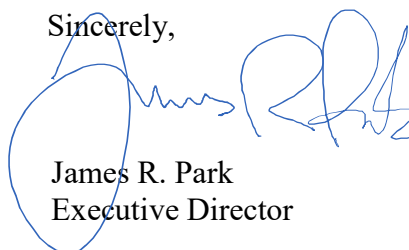
Dear Ms. Wickliffe:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Texas appraiser regulatory program (Program) on February 6-9, 2018, 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. Texas 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. Douglas E. Oldmixon, Commissioner  
Ms. Kristen Worman, Deputy Commissioner

## 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: June 4, 2018**

<b>Texas Appraiser Regulatory Program (State)</b>		
<b>State Board Title: Texas Appraiser Licensing &amp; Certification Board (Board)</b>	<b>PM: V. Metcalf</b>	<b>ASC Compliance Review Date: February 6-9, 2018</b>
<b>Umbrella Agency: Independent</b>	<b>Number of State Credentialed Appraisers on National Registry: 5,246</b>	<b>Review Period: February 2016 - February 2018</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>	X			No compliance issues noted.	N/A	None	None
<b>Temporary Practice:</b>	X			No compliance issues noted.	N/A	None	None
<b>National Registry:</b>			X				
States must ensure the accuracy of all data submitted to the National Registry. (12 U.S.C. § 3347; Policy Statement 3 A, D, E.)				The State placed on the National Registry as "active," the renewal information for 16 appraisers who were granted a Continuing Education (CE) extension.	On May 21, 2018, the State reported that the credentials were corrected on the National Registry and policies and procedures were revised to ensure future compliance. In addition, an Emergency Rule to amend how appraisers granted CE extensions are reported to the National Registry was implemented and a rule to permanently implement the Emergency Rule was proposed.	The State should continue the process of amending its regulations to adopt the Emergency Rule on a permanent basis and monitor its new procedures to ensure data entered onto the National Registry is accurate.	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>National Registry continued:</b>			X				
States must ensure the accuracy of all data submitted to the National Registry. (12 U.S.C. § 3347; Policy Statement 3 A, D, E.)				The State placed on the National Registry as "active," 3 appraiser credentials that were in an inactive status with the State.	On May 21, 2018, the State reported that the credentials were corrected on the National Registry and practices and procedures for processing renewal applications for appraisers requesting inactive status were revised. In addition, staff training was provided.	The State should monitor its new procedures to ensure data entered onto the National Registry is accurate.	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>	X			No compliance issues noted.	N/A	None	None
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None
<b>Education:</b>	X			No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>	X			No compliance issues noted.	N/A	None	None