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Appraisal Subcommittee
Federal Financial Institutions Examination Council

September 17, 2019

Mr. Rodney Reed, Bureau Chief
Division of Banking, Finance Bureau
Iowa Department of Commerce
200 East Grand Avenue, Suite 350
Des Moines, IA 50309

RE: ASC Compliance Review of Iowa's Appraisal Management Company (AMC) Regulatory Program

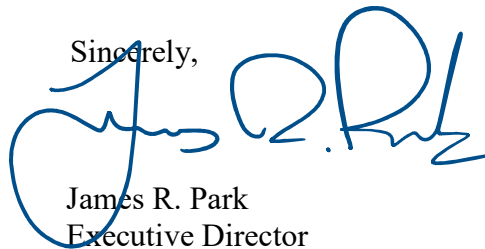
Dear Mr. Reed:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Iowa AMC regulatory program (AMC Program) on July 16 -19, 2019, 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 AMC Program has been awarded an ASC Finding of "Good." Areas of concern that were identified are being addressed by the AMC Program. Iowa will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) of the Iowa AMC Program 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. Ronald L. Hansen, Superintendent of Banking
Ms. Brandy March, Executive Officer
Mr. Zak Hingst, Legal Counsel

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	<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.

ASC State AMC Program Compliance Review Report

ASC Finding: Good
 Final Report Issue Date: September 17, 2019

Iowa AMC Regulatory Program (State)

State Board Title (Board): N/A PM: V. Metcalf ASC Compliance Review Date: July 16-19, 2019 Review Period: July 2017 - July 2019
 Umbrella Agency: Department of Commerce, Division of Banking Number of AMCs on AMC Registry: 87 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
National Registry:			X				
States must reconcile and pay registry invoices in a timely manner (45 calendar days after receipt of the invoice). (Title XI § 1118 (a), 12 U.S.C. § 3347; Title XI § 1109 (a), 12 U.S.C. § 3338; Policy Statement 9.)				The State failed to submit AMC Registry information for a State Registered AMC eligible to be on the AMC Registry.	On September 4, 2019, the State reported that the deficiency was addressed by immediately adding the missing AMC to the AMC Registry. In addition, the State updated the policies and procedures manual and checklist to ensure compliance.	The State should monitor the revised procedures for reporting AMC information to the AMC Registry to ensure compliance with Title XI and ASC Policy Statement 9.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 9.
National Registry continued:			X				
States must ensure the accuracy of all data submitted to the AMC Registry. (Title XI § 1118 (a), 12 U.S.C. § 3347; Policy Statement 9.)				The State failed to report 2 AMC Registry entries to reflect the change in their legal names.	On September 4, 2019, the State reported that the AMC names were immediately corrected. In addition, the State updated the policy and procedures manual and checklist to ensure compliance.	The State should monitor the revised procedures for reporting AMC information to the AMC Registry to ensure compliance with Title XI and ASC Policy Statement 9.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 9.
Enforcement:	X			No compliance issues noted.	N/A	None	None