

State Appraiser and AMC Regulatory Program Oversight

Pursuant to Title XI, one of the ASC's core functions is to monitor the requirements established by the States⁵ for certification and licensing of appraisers qualified to perform appraisals in connection with federally related transactions. Title XI as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act)⁶ expanded the ASC's core functions to include monitoring of the requirements established by States that elect to register and supervise the operations and activities of appraisal management companies⁷ (AMCs).⁸

The ASC performs periodic Compliance Reviews of each State appraiser regulatory program (Appraiser Program) to determine compliance or lack thereof with Title XI, and to assess implementation of minimum requirements for credentialing of appraisers as adopted by the Appraiser Qualifications Board (*The Real Property Appraiser Qualification Criteria* or AQB Criteria). As a result of the Dodd-Frank Act amendments to Title XI, States with an AMC regulatory program (AMC Program) will be evaluated during the Compliance Review to determine compliance or lack thereof with Title XI, and to assess implementation of the minimum requirements for State registration and supervision of AMCs as established by the AMC Rule.⁹ The ASC issues Policy Statements to provide States with the necessary information to maintain their Appraiser Programs and AMC Programs in compliance with Title XI. Current Policy Statements are set forth in Appendix H that follows this Annual Report.

The ASC monitors State Appraiser and AMC Programs largely through on-site visits to the States. The ASC performs an on-site Compliance Review of each State at least once every two years. (See Appendix D, *Tools for Monitoring State Compliance with Title XI*.) Programs that evidence noncompliance in one or more areas may be subject to additional oversight, including Follow-up Reviews, an accelerated Review Cycle and/or off-site monitoring. Additionally, appraisers credentialed by

Appraiser Programs that do not comply with the requirements of Title XI may be prohibited from performing appraisals of real property involved in federally related transactions in that State.

The ASC identifies Appraiser Programs that may have a significant impact on the nation's appraiser regulatory system. The following 14 States, listed alphabetically, collectively represent over 50% of the credentialed appraisers on the Appraiser Registry: California, Colorado, Florida, Georgia, Illinois, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Texas, Virginia and Washington. The ASC performs Priority Contact visits with these States in those years when Compliance Reviews are not scheduled.¹⁰ The ASC also conducts a Priority Contact visit for individual States when a specific concern warrants special attention by the ASC. The primary purpose of the Priority Contact visit is to review topical issues, evaluate regulatory compliance issues and maintain a close working relationship with the State.

⁵ "State" refers to any State, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, and the United States Virgin Islands. (American Samoa does not have a Program).

⁶ Pub. L. 111-203, 124 Stat. 1376.

⁷ Title XI § 1103 (a)(1)(B), 12 U.S.C. § 3332.

⁸ See Title XI § 1121 (11), 12 U.S.C. § 3350 for the definition of "appraisal management company" (AMC).

⁹ The Dodd-Frank Act required the Office of the Comptroller of the Currency; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; National Credit Union Administration; Consumer Financial Protection Bureau; and Federal Housing Finance Agency to establish, by rule, minimum requirements to be imposed by a participating State appraiser certifying and licensing agency on AMCs doing business in the State. (Title XI § 1124 (a), 12 U.S.C. 3353(a)). Those rules were finalized and published on June 9, 2015, at 80 *Federal Register* 32658 with an effective date of August 10, 2015. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26).

¹⁰ Priority Contact visits may be performed onsite or by telephone.