**PUBLIC MEETING OF THE NEBRASKA REAL PROPERTY APPRAISER BOARD**
**Thursday, July 18, 2024, 9:00 a.m.**
**Nebraska Real Property Appraiser Board Office, First Floor, Nebraska State Office Building**
**301 Centennial Mall South, Lincoln, Nebraska**

---

**AGENDA**

**A. Opening 9:00 a.m.**

**B. Notice of Meeting (Adopt Agenda)**

The Nebraska Real Property Appraiser Board will meet in executive session for the purpose of reviewing applicants for credentialing; applicants for appraisal management company registration; investigations; pending litigation, or litigation that is imminent as evidenced by communication of a claim or threat of litigation; and employee performance evaluation. The Board will exit executive session at 10:30 a.m. If needed, the Board will re-enter executive session at the conclusion of the public agenda items discussion to complete review of the above-mentioned items. The Board will not take action on agenda items C, D, E, and F until executive session is completed.

**C. Credentialing as a Nebraska Real Property Appraiser** ..... 1-12

1. New Applicants for Certified Residential Credential through Education, Experience, and Examination
    a. CR24002
2. Pending Applications
    a. CG23039

**D. Registration as an Appraisal Management Company**

**E. Compliance Matters** ..... 1

1. New Grievances
    a. 24-05
2. Active Investigations
    a. 23-08
    b. 23-12

**F. Other Executive Session Items** ..... 1-93

1. New Other Executive Session Items
    a. 2024.11
    b. 2024.12
    c. 2024.13
    d. 2024.14
    e. 2024.15
2. Personnel Matters

**G. Welcome and Chair's Remarks *(Public Agenda 10:30 a.m.)***

**H. Board Meeting Minutes**

1. Approval of June 13, 2024 Strategic Planning Meeting Minutes 1-28
2. Approval of June 20, 2024 Strategic Planning Meeting Minutes 29-41

**I. Director's Report**

1. Real Property Appraiser and AMC Counts and Trends
   a. Real Property Appraiser Report 1-4
   b. Real Property Appraiser Renewal Report 5-6
   c. Temporary Real Property Appraiser Report 7
   d. Supervisory Real Property Appraiser Report 8
   e. Appraisal Management Company Report 9
2. Director Approval of Applicants
   a. Education Activity and Instructor(s) Report 10
3. 2024-25 NRPAB Goals and Objectives + SWOT Analysis 11-12

**J. Financial Report and Considerations**

1. June Financial Report
   a. Agency Budget Status Report 1-3
   b. Appraiser Program Budget Status Report 4-6
   c. AMC Program Budget Status Report 7-9
   d. MTD General Ledger Detail Report 10-15
   e. Financial Charts 16-19
2. ASC Grant Report
3. FY 2024-2025 Budget 20-30
4. Per Diems
   a. Gerdes - July 8, 2024 Applicant Informal Conference
   b. Johnson - July 8, 2024 Applicant Informal Conference

**K. General Public Comments**

**L. Education**

**M. Unfinished Business**

**N. New Business**

1. Board Member Commuting/Travel Status
2. Consideration of Second Special Assistant Attorney General
3. PAREA Program Real Property Appraisal Practice Experience Evaluation
4. Senator, Legislative Staff, and GPRO Open House/Roundtable

**O. Legislative Report and Business**

1. Nebraska Real Property Appraiser Act_June 17, 2024 Draft 1
2. Nebraska Appraisal Management Company Registration Act_June 17, 2024 Draft 2-4
3. Title 298_July 1, 2024 Draft 5-113
4. Other Legislative Matters

**P. Administrative Business**

1. Guidance Documents
2. Internal Procedural Documents
3. Forms, Applications, and Procedures

**Q. Other Business**

1. Board Meetings
2. Conferences/Education
3. Memos from the Board
4. Quarterly Newsletter
5. Appraisal Subcommittee
   a. 2025 ASC Compliance Review – March 11-13, 2025
   b. ASC Quarterly Meeting: June 12, 2024 (Online)
   c. ASC March 13, 2024 Meeting Minutes ..... 1-6
   d. ASC Annual Report 2023 ..... 7-134
6. The Appraisal Foundation
   a. TAF July Newsletter ..... 135-137
   b. No Findings Result from HUD Secretary-Initiated Complaint into TAF; Conciliation Agreement Signed ..... 138-151
7. Association of Appraiser Regulatory Officials
8. In the News

**R. Adjourn**

**Scheduled Appearances:**

1. Brian Morrissey – 9:15 a.m.

**NEBRASKA REAL PROPERTY APPRAISER BOARD**
**NRPAB OFFICE MEETING ROOM, FIRST FLOOR**
**NEBRASKA STATE OFFICE BUILDING**
**301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

**June 13, 2024 Strategic Planning Meeting Minutes**

## A. OPENING

Chairperson Bonnie Downing called to order the June 13, 2024 Strategic Planning meeting of the Nebraska Real Property Appraiser Board at 9:02 a.m. by virtual conferencing in the Nebraska Real Property Appraiser Board meeting room located on the first floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

## B. NOTICE OF MEETING

Chairperson Downing announced the notice of the meeting was duly given, posted, published, and tendered in compliance with the Open Meetings Act, and all board members received notice simultaneously by email. Publication of official notice of the meeting appeared on the State of Nebraska Public Calendar found at www.nebraska.gov on June 6, 2024. The agenda was kept current in the Nebraska Real Property Appraiser Board office and on the Board's website. In accordance with the Open Meetings Act, at least one copy of all reproducible written material for this meeting, either in paper or electronic form, was available for examination and copying by members of the public. The material in paper form was available on the table in a public folder, and the material in electronic form was available on the Board's website on the agenda (https://appraiser.ne.gov/meetings/public_material/2024/240613_Public_Material.pdf), and in Public Meeting Material (https://appraiser.ne.gov/board_meetings/). A copy of the Open Meetings Act was available for the duration of the meeting. For the record, Board Members Bonnie Downing of Dunning, Nebraska, Cody Gerdes of Lincoln, Nebraska, Kevin Hermsen of Gretna, Nebraska, Rodney Johnson of Norfolk, Nebraska and Derek Minshull of North Platte, Nebraska were present. Also present were Director Tyler Kohtz, Business Programs Manager Karen Loll, Licensing Programs Manager Allison Nespor, and Education Program Manager Kashinda Sims, who are headquartered in Lincoln, Nebraska.

### ADOPTION OF THE AGENDA

Chairperson Downing reminded those present for the meeting that the agenda cannot be altered 24 hours prior to the meeting except for emergency items according to the Open Meetings Act. Board Member Johnson moved to adopt the agenda as printed. Board Member Hermsen seconded the motion. With no further discussion, the motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

## C. CHAIRPERSON'S STATE OF THE BOARD REPORT

Chairperson Downing reported no specific comments on the State of the Board. The Chairperson thanked everyone for taking the time to participate in the strategic planning meeting.

**D. DIRECTOR'S COMMENTS**

Director Kohtz thanked board members for taking the time to go through this process today and for their dedication throughout the year. The Director also thanked staff for the hard work preparing for two meetings in a short period of time. Director Kohtz then explained the purpose of the strategic planning meeting, and informed the Board that the goal is to build a road map for staff to follow for the next fiscal year and set objectives, not to determine how the objectives will be accomplished. Focus is placed on the development of short- and long-term goals. The Director continued by saying that previously established goals that were not completed or are ongoing will be presented to the Board for discussion unless otherwise mentioned. Any new proposed short-term or long-term goals will be presented to the Board for discussion. The Board may make any changes to proposed or existing goals as it sees fit, add any short or long-term goals, and/or remove any proposed short- or long- term goals. Director Kohtz then acknowledge Board Member Johnson and Board Member Minshull's first strategic planning meeting, mentioning that strategic planning is an opportunity to continue building staff and board member institutional knowledge as each member is at a different place in their term. The Director brought attention to the meeting agenda and recognized its length. Director Kohtz explained that the agenda format allows for open conversation regarding any topic the Board may wish to discuss. There is no need to spend time on an agenda item if there is no discussion.

Director Kohtz then highlighted the accomplishments from the current fiscal year:

- The Nebraska Real Property Appraiser Board exists today in its current capacity. The Director thanked board members for the work put into this, and to all of the appraisers who made their voices heard.
- LB992 was passed by the Legislature. It updates the Real Property Appraiser Act to address USPAP changes, Real Property Appraiser Qualifications Criteria changes, ASC SOA recommendations, the Board's PAVE Dashboard statute review, removal of the Real Property Appraiser Renewal Random CHRC Program, and other administrative issues.
- LB989 was passed by the Legislature. It updates the AMC Registration Act to address the ASC SOA recommendations, inclusion of criminal and civil immunity language, changes to the CHRC requirements for owners of more than 10% of an AMC, and other administrative issues.
- Established the Business Program Manager position and hired BPM Loll to alleviate staff strain.
- The cash fund balance decline for FY2023-24 is projected to be $10,000 to $15,000 less than the forecasted cash fund balance decline for the fiscal year. Director Kohtz recognized the Board for being conservative and thoughtful with the use of its funds.

The Director then then turned to the future and outlined some areas and goals that he would like the Board to focus discussion on today, which include:

- Finalize the Title 298 draft addressing LB989 and LB992, have preliminary reviews completed, and hold the public hearing.
- Develop and implement policies and procedures to obtain federal grants for technology-based projects and maintain grant management program.

- Increase revenues to address unforeseen budgetary inflation.

**E. GENERAL PUBLIC COMMENTS:**

No members of the public were in attendance. With no public comments, Chairperson Downing proceeded to the review of the 2023-24 Strategic Planning Goals and Objectives.

**F. REVIEW OF 2023-24 STRATEGIC PLANNING GOALS AND OBJECTIVES**

Director Kohtz indicated that he would provide a brief review of the goals and objectives set for the 2023-24 fiscal year since the Board receives a progress update each month. The following items were noted:

- All short-term goals were met for FY2023-24.
- Unless otherwise specified, all long-term goals continue to be met and are ongoing.
- No work was completed on the long-term goal to explore the development and implementation of an updated NRPAB logo.
- No work was completed on the long-term goal to populate the Disciplinary History Search with all real property appraiser and AMC disciplinary action history for active credential and registration holders as a rule change must take place prior to the implementation of this goal.
- No work was completed on the long-term goal to explore use of Federal grant money to pursue development of a translator system between the NRPAB Database and the ASC Federal Registry system as there was no progress made on the compatibility between the NRPAB Database and the ASC Federal Registry system. The Director informed the Board that he wished to have additional discussion on this goal further down the agenda.

**G. COMPLIANCE**

**1. REVIEW OF ENFORCEMENT/INVESTIGATIONS**

EPM Sims presented one chart and three graphs to the Board for review outlining the status of the enforcement program. EPM Sims reported that the total number of grievances remained low over the five-year period compared to historic numbers. Sims declared that within the last four years, no grievances have been filed against AMCs. Sims then indicated that, during the current fiscal year, there were nine grievances filed against real property appraisers and three grievances filed against uncredentialed individuals. Director Kohtz remarked that ten to twelve grievances per year has become the norm after procedural changes reduced the number of grievances filed by the Board. EPM Sims then provided a breakdown in the resolution of grievances and indicated that during the current fiscal year, four were dismissed, three were dismissed with an advisory letter sent to the respondent, two are currently unresolved, and one cease and desist order was issued. Board members Downing and Gerdes emphasized the Board's desire to improve the competency and knowledge of the profession and recognized the compliance program as an available tool when appropriate. The Director reaffirmed that the intent of the Board's regulatory program is to be educational in practice when possible. Director Kohtz added that the procedural changes made by the Board have resulted in an increased positive perception of the Board.

**2. ENFORCEMENT OF REAL PROPERTY APPRAISER ACT**

Director Kohtz asked for any discussion pertaining to real property appraiser enforcement. There was no discussion.

**3. ENFORCEMENT OF APPRAISAL MANAGEMENT COMPANY REGISTRATION ACT**

Director Kohtz asked for any discussion pertaining to AMC enforcement. There was no discussion.

**4. INVESTIGATIVE PROCESSES AND PROCEDURES**

Director Kohtz informed the Board that he had a couple items for discussion under Investigative Processes and Procedures. Director Kohtz informed the Board that its current special assistant attorney general is in the process of retiring, and now may be a good time for the Board bring on a second special assistant attorney general to provide adequate time for transition. Director Kohtz provided some examples of issues and obstacles experienced during the past year while working with a semi-retired special assistant attorney general. Board Member Gerdes brought attention to the contract with the current special assistant attorney general and asked what the renewal process is. Director Kohtz responded that, to date, the decision to renew has been left to the special assistant attorney general and the contract is renewed annually. Board Member Hermsen asked the Director if there are any potential special assistant attorney general candidates in mind. Director Kohtz mentioned that the Board has traditionally had a second special assistant attorney general under contract who, in the past, has always had a professional relationship with the current special assistant attorney general. The Director indicated that Bill Austin was one, but the other is escaping his memory at the moment. Board Member Gerdes asked if it was Jerrod Crouse. Director Kohtz confirmed that this was correct. A board member asked what, specifically, are the criteria for a special assistant attorney general for the Board. Director Kohtz specified that significant real estate law experience is important. The Director noted that any new special assistant attorney general would have a much higher fee than the current special assistant attorney general. Director Kohtz recalled a discussion with Director Lemon of the Real Estate Commission, and informed the Board that he remembered the Commission paying $325.00 per hour at that time. Board Member Minshull inquired about how ongoing cases could be transferred if the Board moved to a new special assistant attorney general. Director Kohtz responded that the two grievances currently in progress should conclude by the end of Blake's contract year. Board Member Gerdes questioned if any work materials would need to be retrieved from the current special assistant attorney general. Director Kohtz assured that the Board that the special assistant attorney general possesses no unique documents, and that anything in possession is protected by attorney-client privilege. The Board agreed that it would be a good step to obtain second special assistant attorney general for compliance matters at the beginning of the next year. The Director reported that this will be included as a short-term goal and added as an agenda item for the July meeting.

Director Kohtz then brought attention to the Board's request that he research the ability for the Board to utilize conditional dismissals for compliance matters. The Director reminded the Board that a conditional dismissal would be a tool used by the Board to address USPAP deficiencies identified by the Board during an investigation where one or more remedial actions could correct the issue without disciplinary action. Conditional dismissals would fit between the advisory letter and disciplinary action. Director Kohtz informed the Board that he discussed the possibility with the Attorney General's Office and was informed that the Board's current authority does not allow for conditional dismissals. The Director also provided Title 298 draft language to the Board's Assistant Attorney General for consideration that defined a negotiated settlement as a conditional dismissal, but Assistant Attorney General Jelkin determined that a specific statutory authority is required for the Board to utilize conditional dismissals; which would be similar to a diversion program in criminal law. Assistant Attorney General Jelkin indicated that other agencies have implemented a similar concept and that the legislature would likely be open to this idea. Chairperson Downing expressed support for the idea but noted that it would involve considerable effort to get a new law passed. Director Kohtz agreed with this and added that the Board would either need to wait until it needs to make statutory changes to implement federal requirements or the language would have to stand on its own. A bill without federal requirements would likely not have a priority and could get stuck in committee. Board Member Minshull asked in how many of the cases before the Board would a conditional dismissal be considered. Director Kohtz estimated that a conditional dismissal might be considered in approximately half of the cases. Board Member Minshull expressed support and commented that use of conditional dismissals would provide a tool to ensure that issues are addressed and would reduce legal costs in situations that might otherwise end up as disciplinary action. Director Kohtz added that conditional dismissals would fit well with the Board's policy that its regulatory program is educational in practice. Board Member Gerdes asked if a respondent in an investigation could potentially demand a conditional dismissal. Director Kohtz responded that it is important that the language makes it clear that this option is offered by the Board only. Board Member Minshull asked what effect a conditional dismissal would have on staff and Board resources. Director Kohtz responded that a conditional dismissal would not be any additional work compared to a consent agreement. Once implemented, the staff would monitor the terms to determine if they are being met or not. The Board agreed that there was no harm in having a bill introduced in the 2025 legislative session to add authority to issue conditional dismissals. The Director informed the Board that he will add the goal under the Laws, Rules, and Guidance Documents goals.

**a. Title 298 – Ch. 8**

Director Kohtz asked for any discussion specific to Title 298. There was no discussion.

**b. Internal Procedural Documents:**

Director Kohtz asked for any discussion specific to internal procedural documents. There was no discussion.

**c. Guidance Documents**

Director Kohtz asked for any discussion specific to guidance documents. There was no discussion.

**5. OTHER EXECUTIVE SESSION ITEMS:** No discussion.

**6. FORMS:** No discussion.

**7. SHORT- AND LONG-TERM GOALS AND OBJECTIVES**

The Board established a short-term goal for compliance:

- Obtain second special assistant attorney general for compliance matters.

## H. CREDENTIALING AND REGISTRATION

### 1. REVIEW OF CURRENT CREDENTIAL HOLDERS/AMC REGISTRATIONS

A review of the credentialing and AMC registration programs took place for the 2023-24 fiscal year. The Director presented fourteen charts to the Board for review. The first two charts represented the number of Nebraska Real Property Appraiser credentialed through education, experience, and examination over the past five years (not including trainees) by classification, and those credentialed through reciprocity during the past five years by classification. Director Kohtz remarked that number of certified general real property appraisers credentialed through education, experience, and examination is stable and that the number of certified general real property appraisers credentialed through reciprocity continues to trend upward. The number of certified residential real property appraisers credentialed through education, experience, and examination is trending upward, and the number of certified residential real property appraisers credentialed through reciprocity remains stable. The licensed residential real property appraiser classification is showing a downward trend for those credentialed through education, experience, and examination, while the number of those credentialed through reciprocity is stable.

Director Kohtz moved on to the next two charts that illustrated total the number of Nebraska Real Property Appraisers (not including trainees) credentialed during the past five years through education, experience, and examination, reciprocity, and both combined; and the total number of credentialed real property appraisers by classification during the past five years. The Director noted the trends for the total real property appraiser credentialed through education, experience, and examination had a slight increase and those credentialed through reciprocity continues to increase due to the current upward trend for the certified general classification. When the numbers are broken down to specific classifications, the certified general classification is trending up, the certified residential classification recovered the loss from the previous year and remains stable overall, and the licensed residential classification continues to trend downward. The number of trainee real property appraisers decreased for the first time in the five-year period.

*(Continued on page 7)*

*(Continued from page 6)*
The Director indicated that it is not clear as to the reason for the trend change at this point, and indicated that it could be a one-time decline, could be due to participation in the PAREA program, or could be a trend change reflecting a market slow-down due to high interest rates. Board Member Minshull inquired about the length of the PAREA program. Director Kohtz responded there was no minimum, but that he believes the Appraisal Institute's program has a maximum of two years for completion. LPM Nespor stated that the program was just approaching the end of the first year.

The Director then presented a chart showing the number of total credentialed appraisers over the past five years to the Board for review and noted the fluctuation due to one- and two-year renewal options.

Director Kohtz brought attention to two charts representing the number of real property appraisers by credential over the past thirteen-month period, and the total number of appraisers over the past thirteen-month period. The Director reported that the thirteen-month snapshot shows an increase in the number of real property appraisers for the certified general and certified residential classifications. The Trainee classification was stable and the Licensed showed a slight decrease.

Director Kohtz presented three charts related to temporary credentials; one showing calendar year totals over five years, one showing year-to-date totals over five years, and one showing temporary credentials issued every month over the previous twelve-month period. The Director noted that the trends are mostly typical for temporary credentials issued; however, attention was directed to the slight decline in the total number of temporary credentials issued experienced in 2023 and informed the Board that 2024 is currently on the same pace when comparing the May 2023 numbers to the May 2024 numbers.

Director Kohtz proceeded to the two charts representing the number of registered supervisory real property appraisers over the past five years. The Director informed the Board that the significant drop in supervisory real property appraisers in the past year could be due to retirement, the PAREA program, or a drop in market demand. As with the trainee real property appraisers, time will help clarify the reason.

Director Kohtz presented two charts illustrating the number of registered AMCs over thirteen months and over five years to the Board for review. The Director noted the number of registered AMCs had stabilized after a steep decline. Board Member Minshull inquired if the decline was a result of consolidation of AMCs. The Director responded that the industry is currently experiencing significant consolidation due to a of couple AMCs acquiring smaller AMCs. There are also many AMCs choosing to no longer register in the State due to market conditions. LPM Nespor added that Class Valuation has acquired many other AMCs.

**2. REVIEW OF CREDENTIAL HOLDER RENEWALS**

Director Kohtz presented the renewal report to the Board for review including two graphs representing the number of Nebraska real property appraisers that renewed their credentials over the past five years. The Director reported that the projected renewal rate was 89% and the actual renewal rate was 91% for the fiscal year. Director Kohtz indicated that the previous year's 89% renewal rate appears to be a one-off as all of the other years have a rate of 91% to 92%. The renewal rate for the certified general classification returned to the 91% to 93% range after the one-year dip, the renewal rate for the certified residential classification is stable over the five-year period, and the renewal rate for the licensed residential and trainee classifications fluctuate greatly over the five-year period.

**3. 2021-27 CREDENTIAL HOLDER/AMC REGISTRATION PROJECTIONS**

The Director presented five graphs for the Board's analysis. The first four graphs outlined appraiser trends; the next graph outlined the number of registered AMCs. The Director explained that these projections are used for budgeting purposes and that these projections are on the conservative side. The Director noted that the certified general and the licensed residential classifications are projected to decline for those credentialed by education, experience, and examination, while the projections show an increase for the certified residential classification. For those credentialed by education, experience, and examination, the projections show that the number of certified residential real property appraisers will exceed the number of certified general real property appraisers in FY25-26. The trend for the number of certified general real property appraisers credentialed through reciprocity will continue to trend upward at a good rate, while the number of licensed residential real property appraisers will remain steady, and the number of certified residential real property appraisers will decline slowly.

The projections show that the number of certified general real property appraisers and certified residential real property appraisers will be stable into the future, while the number of trainee real property appraisers and licensed residential real property appraisers will decline slowly. Overall, the total number of real property appraisers is projected to remain stable.

The Director then moved on to the projected number of AMCs and indicated that projections show a slow, steady decrease in the number of registered AMCs. This is due to a lack of new AMCs compared to non-renewed AMCs for each fiscal year. If the renewal rate holds, the number of new AMCs added is not enough to maintain the current number.

**4. REAL PROPERTY APPRAISER CREDENTIALS**

**a. General Discussion**

Director Kohtz asked for any general discussion on real property appraiser credentials. There was no discussion.

**b. Real Property Appraiser Qualifications**

Director Kohtz asked for any discussion specific to real property appraiser qualifications. Board Member Minshull inquired how qualifications in Nebraska compare to other states. Director Kohtz responded that Nebraska has no requirements that exceed TAF Real Property Appraiser Qualifications Criteria. Many states utilize the minimum requirements found in the criteria, but many also have state-specific requirements that exceed the criteria. The Director noted that all states have some variation in how the criteria is carried out. Reviewing and accepting experience is a perfect example, each state has its own way of going about this. LPM Nespor added that Nebraska does require real property appraisers to be nineteen because that is the requirement to sign contracts in the state, which technically exceeds the criteria because there is no minimum age for credentialing in the criteria. Director Kohtz confirmed that this is correct.

**c. Real Property Appraiser Credential Renewal**

Director Kohtz asked for any discussion specific to real property appraiser renewals. There was no discussion.

**d. Supervisory Real Property Appraiser**

Director Kohtz asked for any discussion specific to supervisory real property appraisers. There was no discussion.

**e. Processes and Procedures**

Director Kohtz asked for any discussion specific to real property appraiser processes and procedures. There was no discussion.

**f. Forms**

Director Kohtz asked for any discussion specific to real property appraiser forms. There was no discussion.

**g. Short- and Long-Term Goals and Objectives**

Director Kohtz presented two existing long-term goals for the Board's consideration.

- Monitor real property appraiser credential renewal dates.
- Explore opportunities to increase number of Nebraska resident real property appraisers.

Director Kohtz informed the Board that late real property appraiser renewals are monitored through the year and that late renewal rates are consistent from year to year. LPM Nespor reported that 15% of real property appraisers renewed late in 2022-23 fiscal year and 18% renewed late this fiscal year, with a few more still expected. The Director reminded the Board that a discussion took place at last year's strategic planning meeting about the effects of moving the real property appraiser renewal date to earlier in the year to provide staff more time to complete processing of the applications.

*(Continued on page 10)*

*(Continued from page 9)*

Director Kohtz indicated that this concern should be resolved with the additional employee assisting during the renewal period. The Director finished by recommending that this goal remain in place, so that this next renewal period can be reviewed against previous renewal periods. The Board agreed that this long-term goal should remain in place.

The discussion then turned to the goal, "Explore opportunities to increase the number of Nebraska resident real property appraisers." Director Kohtz remarked that this goal is considered with everything the Board does from public information to credentialing policies and procedures. The Director added that if there are any barriers to entry into the profession that the Board could review, it should continue to do so. LPM Nespor added that the Board has done well in the past and that, currently, there are no known issues within the Board's control that could be changed. The Board agreed to maintain the long-term goal as presented.

No new short-term goals were presented or established.

**5. TEMPORARY CREDENTIAL**

**a. General**

Director Kohtz asked for any general discussion specific to temporary credentials. There was no discussion.

**b. Processes and Procedures (Title 298 – CH.3)**

Director Kohtz asked for any discussion specific to temporary credential processes and procedures. LPM Nespor commented that demand is high for an online temporary real property appraiser application.

**c. Forms**

Director Kohtz asked for any discussion specific to temporary credential forms. There was no discussion.

**d. Short- and Long-Term Goals and Objectives**

Director Kohtz asked if the Board had any short- or long-term goals related to temporary credentials. There was no discussion.

**6. APPRAISAL MANAGEMENT COMPANY REGISTRATION**

Director Kohtz asked for any discussion specific to AMC registration. There was no discussion.

**I. EDUCATION**

**1. GENERAL**

Director Kohtz asked if the Board had any discussion specific to general education. There was no discussion.

**2. QUALIFYING EDUCATION**

**a. Processes and Procedures (Title 298 – Ch. 6)**

Director Kohtz asked if the Board had any discussion specific to qualifying education processes and procedures. There was no discussion.

**b. Application for Qualifying Education**

Director Kohtz asked if the Board had any discussion specific to the qualifying education application. There was no discussion.

**c. Short- and Long-Term Goals and Objectives:**

Director Kohtz presented two existing long-term goals for the Board's consideration.

- Encourage trainee real property appraisers who intend to engage in real property appraisal practice pertaining to agricultural real property upon credentialing as a certified general real property appraiser to complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal in approval letter sent to trainee real property appraisers.

- Request that supervisory real property appraisers with trainee real property appraisers who intend to engage in real property appraisal practice pertaining to agricultural real property upon credentialing as a certified general real property appraiser encourage their trainee real property appraisers to complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal in approval letter sent to supervisory real property appraisers.

Director Kohtz reminded the Board that the long-term goals to encourage trainee real property appraisers who intended to engage in real property appraisal practice pertaining to agricultural real property upon credentialing to complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal, were put in place two years ago. The Director asked if the Board would like to continue monitoring the effect as long-term goals. The Board agreed that the goals should remain.

No new short-term goals were presented or established.

**3. CONTINUING EDUCATION**

Director Kohtz asked for any discussion pertaining to continuing education. There was no discussion.

**4. SUPERVISORY REAL PROPERTY APPRAISER AND TRAINEE COURSE**

Director Kohtz asked for any discussion specific to the supervisory real property appraiser and trainee course. There was no discussion.

**5. INSTUCTORS**

Director Kohtz asked for any discussion specific to education instructors. There was no discussion.

**6. POST-SECONDARY EDUCATION**

Director Kohtz asked for any discussion specific to post-secondary education. There was no discussion.

**7. BOARD REPRESENTATION/OFFERINGS**

Director Kohtz asked for any discussion specific to Board offerings. There was no discussion.

**J. PERSONNEL**

**1. GENERAL DISCUSSION**

Director Kohtz asked for any discussion pertaining to personnel. Board Member Minshull inquired if staffing is now at an appropriate number in relation to the duties. The Director responded that the workload is appropriate for each employee within a 40-hour work week. Each position is also being cross trained in the duties of the other positions. When work in an area increases, the work can be distributed between employees as needed to ensure that it is being completed in a timely manner in a way that does not strain one or more staff members. Cross training also provides the Board some built-in insulation against turnover that didn't exist previously. Finally, more detail is captured in the staff's daily work as more focus is placed on analysis and review. Board members Downing and Gerdes thanked the staff for their work.

**2. STAFF POSITIONS:**

Director Kohtz asked for any discussion specific to staff positions. There was no discussion.

**3. POLICIES AND PROCEDURES**

Director Kohtz asked for any discussion pertaining to personnel policies and procedures. There was no discussion.

**4. CONFERENCES/TRAINING**

Director Kohtz asked for any discussion specific to conferences and training. There was no discussion.

**5. BOARD STRUCTURE**

Director Kohtz asked for any discussion specific to the Board's structure. There was no discussion.

**6. SHORT- AND LONG-TERM GOALS AND OBJECTIVES**

Director Kohtz presented an existing long-term goal for the Board's consideration.

- Continue updating the policies and procedures documents as needed to ensure compliance with state policy changes, NAPE/ASFCME contract changes, and to address general work environment needs and/or changes.

The Board agreed that this goal should remain as presented.

## K. PUBLIC INFORMATION

### 1. GENERAL

Director Kohtz asked for any general discussion on public information matters. There was no discussion.

#### a. Short- and Long-Term Goals

Director Kohtz presented three existing long-term goals for the Board's consideration.

- Encourage development of Memos from the Board, Facebook posts, and The Nebraska Appraiser articles that contain facts and information of interest to the appraisal business community.
- Continue utilizing the NRPAB website, NRPAB Facebook page, The Nebraska Appraiser, and Memos from the Board to disseminate relevant and important information to the appraisal business community and the general public in a timely manner. This includes information related to state and federal regulations, credentialing and registration requirements, renewal information, education information, Board policies and procedures, documents posted to the NRPAB website, meeting information, and other information that affects the industry.
- Explore the development and implementation of an updated NRPAB logo.

Director Kohtz informed the Board that staff did not have time to allocate to developing Memos from the Board, Facebook posts, and The Nebraska Appraiser articles that contain facts and information of interest to the appraisal business community during the past year. The Director indicated that if a staff member or the Board identifies a specific topic, facts, or information of interest to the appraisal business community, it will be disseminated through the appropriate tool. The Board agreed that this goal should remain in place as is. Director Kohtz moved on to the second long-term goal and informed the Board that the goal provides excellent guidance as to where staff should place its focus for public information and recommends that the Board keep this goal as is. The Board agreed that the goal is to remain as written.

The Director brought attention to the goal to explore the development and implementation of an updated NRPAB logo and indicated that it is not a high priority, but that he would like for it to remain as a long-term goal. The Board agreed to keep this goal as a long-term goal.

No new short-term goals were presented.

### 2. NRPAB WEBSITE

Director Kohtz asked for any general discussion on the NRPAB website. There was no discussion.

#### a. Processes and Procedures

Director Kohtz asked for any discussion specific to the NRPAB website processes and procedures. There was no discussion.

**b. Short- and Long-Term Goals and Objectives**

Director Kohtz presented two existing long-term goals for the Board's consideration.

- Continue to monitor the effectiveness of current NRPAB website; repair bugs, make improvements, and add enhancements needed to address functionality or use.
- Populate the Disciplinary History Search with all real property appraiser and AMC disciplinary action history for active credential and registration holders.

The Director informed the Board that before any progress could be made on the second goal related to the Disciplinary History Search, the rules would need to be updated by the legislature. The Board agreed with the two long-term goals as written.

No new short-term goals were presented or established.

**3. MEMOS FROM THE BOARD**

Director Kohtz asked for any general discussion on Memos from the Board. There was no discussion.

**a. Processes and Procedures**

Director Kohtz asked for any discussion specific to the Memos from the Board processes and procedures. There was no discussion.

**b. Short- and Long-Term Goals and Objectives**

Director Kohtz presented one existing long-term goal for the Board's consideration.

- Continue utilization of Memos from the Board to disseminate important information in a timely manner that should not be held for the next release of The Nebraska Appraiser.

Director Kohtz indicated this goal was being used in the way it was intended. Chairperson Downing brought attention to the need to get information out quickly at the beginning of the year and that the memos worked well for this purpose. The Board agreed to keep the long-term goal as presented.

No new short-term goals were presented or established.

**4. THE NEBRASKA APPRAISER NEWSLETTER**

Director Kohtz asked for any discussion on The Nebraska Appraiser newsletter. There was no discussion.

**a. Processes and Procedures**

Director Kohtz asked for any discussion specific to The Nebraska Appraiser processes and procedures. There was no discussion.

**b. Short- and Long-Term Goals and Objectives**

Director Kohtz presented one existing long-term goal for the Board's consideration.

- Continue releasing new issues of The Nebraska Appraiser on a quarterly basis to disseminate important information to the appraisal business community and the general public in an effective and efficient manner.

Director Kohtz noted that he had been approached by at least three people from other states that had commented that they read the newsletter and found it very informative and well written. There was specific mention of the explanation on law and rule changes. The Board agreed to maintain the long-term goal as presented.

No new short-term goals were presented or established.

**5. FACEBOOK PAGE**

Director Kohtz asked for any general discussion on the NRPAB Facebook Page. There was no discussion.

**a. Processes and Procedures**

Director Kohtz asked for any discussion specific to the Facebook page processes and procedures. There was no discussion.

**b. Short- and Long-Term Goals and Objectives**

Director Kohtz presented one existing long-term goal for the Board's consideration.

- Continue utilization of the NRPAB Facebook page to disseminate important information in a timely manner that the appraiser community and general public would not otherwise be aware of, such as documents posted to the NRPAB website, meeting information, and NRPAB policy and business information.

The Board agreed to maintain the long-term goal as presented.

No new short-term goals were presented or established.

Break from 10:45 a.m. to 10:56 a.m.

**L. ADMINISTRATION**

**1. GENERAL**

**a. AM3346 to LB1417**

The Director informed the Board that, according to the GPRO, the Governor had no intention of reintroducing LB1417 next year in its original form. If a similar bill is introduced, it would only include the language for AM3346, which does not include the Real Property Appraiser Board. Board Member Hermsen thanked Director Kohtz for his efforts regarding LB1417.

**2. POLICIES AND PROCEDURES**

Director Kohtz asked for any general discussion pertaining policies and procedures not already on the agenda. There was no discussion.

**a. New or Recommended**

Director Kohtz asked for any discussion pertaining to any new or recommended policies and procedures. There was no discussion.

**b. Internal Procedural Documents**

Director Kohtz asked for any discussion specific to Internal Procedural Documents. There was no discussion.

**c. NRPAB Meetings:**

Director Kohtz asked for any discussion specific to NRPAB meeting processes and procedures and inquired about satisfaction with positioning the closed session of the meeting at the beginning. The Board expressed no issues with the current placement of closed session on the agenda. Chairperson Downing asked if staff has received any feedback regarding the closed session placement. Director Kohtz responded that he has not, but likes to ask every few years to be sure that the closed session location still meets the Board's preference.

**d. Request Forms**.

Director Kohtz asked for any discussion specific to request forms. There was no discussion.

**e. Short- and Long-Term Goals and Objectives**

Director Kohtz presented one existing long-term goal for the Board's consideration.

- Continue to monitor the effectiveness of current processes and procedures and update the processes and procedures as needed to maintain effectiveness and efficiency of the administration of the Board's programs.

The Board agreed to keep the long-term goal as written.

No new short-term goals were presented or established.

**3. NRPAB RECORDS MANAGEMENT**

Director Kohtz asked for any discussion pertaining to records management. There was no discussion.

**4. NRPAB DATABASE**

Director Kohtz reminded the Board that the budget allowed for an average of approximately $1,000.00 per month for NRPAB website maintenance and that any projects over $5,000.00 would be presented to the Board for approval. The Director asked if there were any questions on this procedure. There was no discussion.

**a. Online Temporary Real Property Appraiser Credential Application and NRPAB Database Interface**

Director Kohtz presented an Agenda Item Summary for the online temporary real property appraiser credential and asked LPM Nespor to provide a brief summary. LPM Nespor informed the Board that this project would create an online application for temporary credentials, an online renewal application for temporary credentials, develop and implement a mechanism for applicants without an Appraiser Login account to access the applications, and develop and implement the admin review interface for the temporary credential applications. The Director informed the Board that the order of technology projects is determined by evaluating cost and time savings to the Board along with customer benefit. The cost estimate for the development and implementation of the temporary real property appraiser credential application and NRPAB Database Interface project is $59,780.00. This estimate includes planning, implementing, testing, and all other associated costs. The Director then brought attention to the ASC Grant Program, and reminded the Board that the ASC's grant funding is intended for state-level projects such as this one. Part of the plan for adding another employee was to tap into this source to shift the cost away from the appraisers, and also to use the grant money as a way for the new position to pay for itself. Director Kohtz added that only projects that do not include strings put in place by the Federal government would be considered for grant funding. Board Member Minshull noted that grant money can be cumbersome to apply for and manage, but believes it is worth pursuing. Board Member Minshull also inquired about the cost of data storage. Director Kohtz stated that the Board is currently paying approximately $300.00 per month for data storage including back-ups, and the additional data would add less than $5.00 per year. The Board agreed to add a short-term goal to apply for an ASC grant for the development and implementation of the temporary real property appraiser credential application and NRPAB Database Interface.

**b. Credit Card Payment Option for Online Applications**

Director Kohtz indicated that the Board is regularly asked about a credit card payment option. According to the Director, credit card payment are becoming more manageable to implement and it is easier to meet the security requirements. Director Kohtz asked if the Board would be interested in exploring a credit card payment option. The Director added that he has not done any research on this to date, so the funding mechanism to pay the vendor would need to be established. Director Kohtz indicated that he is unsure if the Board must collect a fee or if the vendor takes a transaction fee at the time the transaction is made. Board Member Minshull remarked that the credit card fee could be charged to the applicant and collected at the time of payment. The Board agreed to set a short-term goal to explore credit card payment options for online applications.

**c. Short- and Long-Term Goals and Objectives**

Director Kohtz presented three existing long-term goals for the Board's consideration.

- Continue to monitor the effectiveness of current NRPAB database; repair bugs, make improvements, and add enhancements needed to address program or use changes.
- Explore online real property appraiser initial applications (Reciprocity; EE&E; Temporary), AMC initial applications, education activity applications, and other services that require payment of a fee.
- Explore use of Federal grant money to pursue development of a translator system between the NRPAB Database and the ASC Federal Registry system.

Director Kohtz brought attention to the long-term goal to explore use of Federal grant money to pursue development of a translator system between the NRPAB Database and the ASC Federal Registry system and informed the Board it appears that a translator system is not feasible. The NRPAB Database and the ASC Federal Registry system use different coding languages that cannot read each other. The Director indicated that he has spent three years working with CIO to find a resolution to this issue. The last idea offered by CIO is a subscription service that would cost $70.00 to $220.00 per month. This monthly fee does not appear to include development costs. Director Kohtz informed the Board that he does not feel that this would be a responsible use of the Board's funds when considering the return for the costs. The Board agreed that the subscription service costs were high. The Director recommended that the Board remove this goal and stated the Board could add the goal back if a reasonable option presents itself in the future. The Board agreed to remove this goal.

The Board agreed to maintain the first two long-term goals as presented.

Director Kohtz presented the two short-term goals established by the Board under the NRPAB Database discussion.

- Explore credit card payment options for online applications.
- Explore the use of Federal grant money for development of online temporary real property appraiser credential application and NRPAB Database Interface.

**5. APPRAISAL REVIEW SERVICES CONTRACTOR PROGRAM**

Director Kohtz asked for any discussion pertaining to the appraisal review services contractor program. There was no discussion.

**M. APPRAISAL SUBCOMMITTEE**

Director Kohtz informed the Board that its next ASC Compliance Review would take place in 2025 and asked for any discussion pertaining to the Appraisal Subcommittee. There was no further discussion.

**N. APPRAISAL FOUNDATION**

Director Kohtz asked for any discussion pertaining to The Appraisal Foundation. Board Member Minshull inquired about the role of The Appraisal Foundation. Director Kohtz provided a summary of the appraiser regulatory structure, and informed the Board that The Appraisal Foundation is a non-profit entity authorized through Title XI to develop the standards real property appraisers must adhere to and the qualifications to become real property appraisers. These standards and criteria are enforced by the Appraisal Subcommittee, a federal agency, who also oversees each state appraiser licensing program.

**O. AARO**

Director Kohtz announced the Spring AARO conference will transition to a virtual format, maintaining the registration fee at $625.00, which is the same fee for past in-person conferences. The Director expressed hesitation for paying this amount for a virtual conference as the fees typically cover the conference overhead costs. Board Member Hermsen asked if attending the conference is beneficial. The Director replied that it depends, some of the presentations are very good, but some of them do not offer any useful knowledge; it can really be hit and miss. Board Member Johnson noted that conferences moving online is a national trend, but staying informed the Federal updates would be important. The Director replied that he stays on top of what is happening at the Appraisal Subcommittee and The Appraisal Foundation, so their presentations are a confirmation that the correct information is being obtained rather than learning new information. Director Kohtz conceded that much of the information gained at the conference is from conversations that take place outside of the formal conference setting or during the director's roundtable. The setting for this type of discussion is not available at a virtual conference. Director Kohtz added that, within the conference, most of the new information that he receives is in the Freddie Mac and Fannie Mae updates, as he does not follow them closely since their actions and policies have little to no direct effect on the agency. The Director was asked if a spring virtual conference was to become a common occurrence. Director Kohtz responded that he was told that AARO is trying this out next year, but that he suspects the spring conference will be virtual moving forward, if there is a spring conference at all. The Board agreed that since the Director will continue to attend the fall AARO conference, he would not need to attend the first spring virtual conference. This could be re-evaluated if additional information comes to light that would make it important that the Director attend. Director Kohtz indicated the cost of the spring conference was not included in the proposed FY2024-25 budget, but the Board could use carryover funds if needed.

**P. LAWS, RULES, AND GUIDANCE DOCUMENTS**

**1. GENERAL DISCUSSION**

Director Kohtz asked for any general discussion pertaining to laws, rules, and guidance documents. There was no discussion.

**2. LAWS**

**a. Real Property Appraiser Act**

Director Kohtz asked for any discussion specific to the Real Property Appraiser Act. There was no discussion.

**b. Appraisal Management Company Registration Act**

Director Kohtz asked for any discussion specific to the Appraisal Management Company Registration Act. There was no discussion.

**c. Processes and Procedures**

Director Kohtz asked for any discussion specific to processes and procedures pertaining to statute development. There was no discussion.

**d. Short- and Long-Term Goals and Objectives**

Director Kohtz presented one existing long-term goal for the Board's consideration.

- Address changes to USPAP, Real Property Appraiser Qualifications Criteria, ASC Policy Statements, AQB CAP Program Guidelines, and Title XI as required.

The Board agreed to maintain the long-term goal as presented.

The following short-term goal was established during discussion in Section G, Compliance:

- Work with the Banking, Commerce and Insurance Legislative Committee's Legal Counsel to draft a bill for introduction to add language to the Real Property Appraiser Act, and the Appraisal Management Company Registration Act, allowing the use of a conditional dismissal in lieu of disciplinary action.

**3. RULES**

**a. Title 297**

Director Kohtz asked for any discussion pertaining to Title 297. There was no discussion.

**b. Title 298**

Director Kohtz informed the Board that the draft for Title 298 to harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act in 2024, address the Board's PAVE Dashboard regulations review, and incorporate changes made to the Real Property Appraiser Qualification Criteria Effective January 1, 2026 and CAP Guidelines effective September 17, 2023 is almost complete. The proposed language pertaining to conditional dismissals must be removed, and any other changes required after strategic planning must be made. The Director recommended a new short-term goal to adopt these changes before the end of the FY2024-25 fiscal year. The Board agreed with this goal.

**c. Processes and Procedures**

Director Kohtz asked for any discussion specific to the processes and procedures for drafting and implementing changes to Title 297 or Title 298. There was no discussion.

**d. Short- and Long-Term Goals and Objectives**

Director Kohtz presented two existing long-term goals for the Board's consideration.

- Harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act as needed.
- Continue to monitor the effectiveness of regulations to reduce unnecessary regulatory burden, remove barriers to entry into the real property appraiser profession, maintain an effective education program, maintain an effective enforcement program, and provide for better clarification and administration.

The Board agreed to keep the long-term goals as presented.

Director Kohtz presented the short-term goal established by the Board under the Title 298 discussion.

- Adopt Title 298 changes to harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act in 2024, address the Board's PAVE Dashboard regulations review, and incorporate changes made to the Real Property Appraiser Qualification Criteria Effective January 1, 2026 and CAP Guidelines effective September 17, 2023.

**3. GUIDANCE DOCUMENTS**

Director Kohtz asked for any general discussion pertaining to Guidance Documents. There was no discussion.

**a. Processes and Procedures**

Director Kohtz asked for any discussion specific to processes and procedures for establishing and reviewing guidance documents. There was no discussion.

**b. Short- and Long-Term Goals and Objectives**

Director Kohtz presented one existing long-term goal for the Board's consideration.

- Continue to adopt Guidance Documents for public advisement concerning interpretation of statutes and rules, and retire Guidance Documents that are no longer relevant.

The Board agreed to maintain the long-term goal as presented.

**4. INTERNAL PROCEDURAL DOCUMENT**

Director Kohtz asked for discussion pertaining to Internal Procedural Documents. There was no discussion.

**a. Processes and Procedures**

Director Kohtz asked for any discussion specific to processes and procedures pertaining to establishing and reviewing internal procedural documents. There was no discussion.

**b. Short- and Long-Term Goals and Objectives**

Director Kohtz presented one existing long-term goal for the Board's consideration.

- Continue to adopt internal procedures as needed to assist with the Board's administration of its programs and retire internal procedures that are no longer relevant.

The Board agreed to maintain the long-term goal as presented.

No new short-term goals were presented or established.

## Q. FINANCIAL

### 1. REVIEW OF CURRENT FISCAL YEAR

The Board reviewed the expenses and revenues for the current fiscal year as of May 31, 2024. Director Kohtz informed the Board that he would not provide specific details because this information will be covered at the Board's regular June meeting. The Director reported that the year-to-date expenditures for the fiscal year are $350,689.39, which amounts to 77.21 percent of the budgeted expenditures for the fiscal year, the year-to-date revenues for the fiscal year are $344,677.65, which amounts to 94.28 percent of the projected revenues for the fiscal year. Director Kohtz indicated that 92.05 percent of the fiscal year has passed. The cash balances are healthy and, overall, the Board is financially in a good place. There was no further discussion concerning the current fiscal year.

### 2. 2024-27 PROJECTIONS

Director Kohtz presented four charts showing the 2024-27 financial projections. The Director reported that a conservative approach was taken towards the revenue projections as revenues have come in below projections during the past two fiscal years. In addition, the revenues and cash balances were provided with two different fee structures: the current fees and the statutory fees approved this year. The projected expenditures were figured at 90% for the Appraiser Fund and 95% for the AMC Fund. According to the Director, the majority of revenue comes from renewal fees, application fees, and temporary permit fees. Director Kohtz informed the Board that under the current fees, the expenditures will exceed revenues in every projected year for both the Appraiser Program and the AMC Program. With the statutory fees, the revenues exceed the expenditures each year. Director Kohtz then guided the Board to the cash balance projections and showed the Board where the fund balance policy is in relation to the cash balance for both the Appraiser Program and the AMC Program. The Director informed the Board that under the current fees, the Appraiser Fund balance is projected to cross the fund balance policy amount in FY25-26.

*(Continued on page 23)*

*(Continued from page 22)*
The AMC Fund approaches the fund balance policy amount at the end of FY26-27. Director Kohtz indicated that he also included the statutory fees at the beginning of FY25-26 to show the effect on the Appraiser Fund cash balance and the AMC Fund cash balance. The Director informed the Board that he anticipates the fund balances to be higher than they are projected to be, but the fees will need to be adjusted in the near future. There was no further discussion regarding the 2024-27 financial projections.

**3. FY 2024-25 BUDGET**

Director Kohtz presented the proposed FY 2024-25 budget to the Board for review and highlighted the following items:

- Projected Appraiser and AMC Fund expenditures are $427,213.00, and the projected Appraiser and AMC Fund revenues are $386,110.00.
- Projected Appraiser Fund expenditures are $285,951.00, and projected Appraiser Fund revenues are $260,285.00.
- Projected AMC Fund expenditures are $141,262.00, and projected AMC Fund revenues are $125,825.00.
- NRPAB Employee Performance Program – $2,303.00 allocated to PSL, Retirement Plan Expenses and FICA Expenses (one-time expenditure).
- Health Insurance Expenses - $17,603.04 allocated to address employee health insurance increase (2025-2027 Biennial Budget Agency Issue).
- Education Services - $68.00 allocated for employee access to the State's LinkedIn Learning Library (one-time expenditure).
- Travel Expenses - $2,161.00 allocated to travel expense for additional board member travel (2025-2027 Biennial Budget Agency Issue).
- Estimated FY23 encumbered funds - $17,068.00.
- Teammate Salary and Benefits ($330,828.00)
- Board Member Per Diem Payments ($7,600.00)
- NRPAB Employee Recognition Program ($2,000.00)
- Travel - AARO Travel (1 Fall and no Spring Conference trip) and board member meeting travel ($16,356.00)
- Legal Services ($20,000.00); Legal Related ($3,000.00)

- Other Contractual Services for CHRC and Appraisal Review Services ($27,000.00)

- CIO – IM Services expenditures, Network Services expenditures, software, and technology projects ($30,128.00)

- Other Operating Expenses (Overage Coverage of $2,461.00)

- Budget includes the following changes from the FY 2023-24 appropriations:
  - Salary and Benefits ($33,612.00)
  - Operating Expenses (-$5,938)
  - Travel Expenses ($2,161.00)

- Applicant Standard 3 Reviewer Fees/SME Fees are set at:

  Applicant Reviews
  Residential: 4 Hours x $125.00 = $500.00
  2-4 Family: 5 Hours x $125.00 = $625.00
  Agricultural: 7 Hours x $125.00 = $875.00
  Commercial: 7 Hours x $125.00 = $875.00

  SME
  Residential: 5 Hours x $125.00 = $625.00
  2-4 Family: 5 Hours x $125.00 = $625.00
  Agricultural: 12 Hours x $125.00 = $1500.00
  Commercial: 12 Hours x $125.00 = $1500.00

The Director reported that increased travel costs and health insurance costs are not included in the current appropriation and that carryover funds will be utilized during FY24-25 to cover the difference. These items will need to be addressed in the Board's 2025-2027 Biennial Budget Request. Director Kohtz indicated that the travel costs deficit was much higher, but the Spring AARO Conference travel allocation was shifted over to board member travel to make up some ground. Also, reductions in the operating budget were utilized to make up some ground in benefits. Carryover funds were also allocated to a one-time expenditure for the Employee Performance Program and for education. The State is offering unlimited use of its Linkedin Learning library during this fiscal year for the cost equal to one course. Typically, it is more cost effective for the Board to pay by the course, but in this circumstance, it is more cost effective to elect the annual option at this rate. Board Member Minshull asked if the budget needed to be adjusted for an increase in legal expenditures. The Director responded that no adjustment is needed for FY24-25 as there is enough cushion to absorb additional fees for a second special assistant attorney general. No matter when it would occur, if an investigation were to proceed to hearing, a deficit request would be made as the current appropriation would not cover the costs of a hearing.
*(Continued on page 25)*

*(Continued from page 24)*
The Director added that the Board's legal expenditures are brought up by the Board's Legislative Fiscal Analyst from time to time as there is typically a large unexpended balance if no hearing takes place. The current cushion is adequate enough to provide enough time to obtain additional appropriations as needed. Director Kohtz asked for any questions or comments. There was no further discussion.

**a. Policies and Procedures**

Director Kohtz asked for any discussion pertaining to budget policies and procedures. There was no discussion.

**i. AMC Fund/Appraiser Fund Split**

Director Kohtz presented a memo regarding the FY 2024-25 Appraiser/AMC Funds Allocation to the Board for review. The Director explained that the agency cannot utilize appraiser funds on AMC expenditures and cannot utilize AMC funds on appraiser expenditures. The quarterly workload review for each employee takes place during the first full work week in July, October, January, and April. Each employee reported his or her time spent on appraiser- and AMC-related activities per day in quarter-hour increments. The quarterly workload review for each employee indicates that 35% of time was spent AMC related functions, and 65% of time was spent on Appraiser related functions. The addition of the BPM position caused a slight change to the staff time spent in AMC or Appraiser related functions as the majority of time for this position was applied to the general functions of the agency. During analysis of the data for the FY2023-24 fiscal year, it was discovered that the EPM position reported time spent processing education applications as general time; this activity applies only to the Appraiser Program. Thus, the time spent carrying out this duty should have been reported under appraiser hours. During discussion with EPM Sims, it was determined that approximately 12 hours per week are spent in general functions. Other than 48 hours dedicated to this purpose, all other hours reported under general hours were moved to appraiser hours for the purpose of this report. The Director reported that the allocation will remain 65% Appraiser Fund and 35% AMC Fund for FY2024-25. Director Kohtz asked for any questions or comments. There was no further discussion.

**ii. Internal Procedural Documents**

Director Kohtz asked for discussion specific to internal procedural documents pertaining to financials. There was no discussion.

**b. Goals and Objectives**

Director Kohtz asked for discussion pertaining to short and long-term goals and objectives. There was no discussion.

**4. 2025-2027 BIENNIAL BUDGET**

Director Kohtz informed the Board that preparation for the 2025-2027 Biennial Budget will begin soon and indicated that he plans to include budget issues for an increase in funding for travel and health insurance expenditures. The Director also indicated that any fee changes will be incorporated into the biennial budget request. Director Kohtz asked for any questions related to the 2025-2027 Biennial Budget. There was no further discussion.

**a. Policies and Procedures**

Director Kohtz asked for discussion specific to policies and procedures pertaining to the 2025-2027 Biennial Budget. There was no discussion.

**b. Goals and Objectives**

A short-term goal was established to complete 2025-27 Biennial Budget Request addressing agency issues discussed at strategic planning.

**5. FEES**

Director Kohtz brought attention to the 2024-27 financial projections and informed the Board that it is time to begin discussion on fee changes to address the unanticipated budget increases, flat Appraiser Fund revenues, and declining AMC Fund revenues. The Director reminded the Board that fees have not been increased in at least fourteen years and that his focus has been placed in finding more efficient and productive ways to conduct the Board's business. Unfortunately, there are no more cost savings avenues remaining. Director Kohtz informed the Board that any fee changes must be included in Title 298. It would also be helpful to have a plan for the 2025-2027 Biennial Budget preparations. The Director then asked the Board to provide guidance for how he should approach the fee changes. The Board discussed various scenarios that included different fees implemented at different times. The Director and the Board agreed that the fee changes should occur in steps over a three-year period. 5% each year was offered as a guideline. Director Kohtz informed the Board that he could place a fee table in the current Title 298 draft that includes a specific fee in each fiscal year. The increases would be equally spaced until the statutory limit for the fee is reached. The Board agreed with this plan. There was no further discussion.

**R. SWOT ANALYSIS**

Director Kohtz informed the Board that it was time to review the SWOT Analysis. Director Kohtz reminded the Board that the analysis lists the strengths, weaknesses, and opportunities of, and threats to the agency. The Board reviewed the items from last year:

STRENGTHS

- Customer service
- Organization
- Board Member knowledge
- Staff knowledge
- Adaptability
- Professional diversity of Board
- Modernization of accessibility

WEAKNESSES

- Industry's inability to grow
- Efficiency loss due to Database not meeting potential
- Size of Agency staff
- Regulatory and statutory regulations
- Difficulty obtaining new board members

OPPORTUNITIES

- Growth in real property appraiser field
- Continued evaluation of Board and Agency operations
- Embrace of available technology

THREATS

- Agency turnover
- Federal agency oversight
- State economic climate
- Aging appraiser population
- Inadequate Supervisory Appraiser knowledge
- Deemphasis on appraisals at the Federal level

Director Kohtz asked for any discussion pertaining to the SWOT Analysis. The Board agreed that the existing strengths are still relevant. The Board moved to weaknesses. Board Chairperson Downing recommended removing "size of agency staff" from weaknesses. The Board agreed with the Chairperson's assessment that with the addition of the Business Programs Manager position and the ability to cross train, staff size was now an opportunity. The Director informed the Board that "Agency staff size and cross-training of Agency duties" has been added to opportunities. Board Member Gerdes highlighted the commercial and agricultural appraisal expertise on the Board and indicated that a board member with residential appraisal expertise would be an opportunity. The Board agreed. Director Kohtz informed the Board that "Board member with residential appraisal expertise" has been added to opportunities. The ability to offer a non-disciplinary conditional dismissal was recognized as another opportunity by the Board. The Director informed the Board that "Authority for non-disciplinary conditional dismissals" has been added to opportunities. The Board then discussed the use of ASC grant funding for technology projects as a valuable opportunity. Director Kohtz indicated that "Utilization of ASC grant funding for technology projects" has been added to opportunities. A discussion then took place regarding the lack of education of users of appraisals and the Board agreed that this is an opportunity for the Board as well. Director Kohtz announced that "Education of users of appraisal reports" has been added as to opportunities. The Board then moved to threats faced by the Board. A discussion took place regarding the meaning of "State economic climate" and the Board established that the threat could come at the national level or the local level as well, so the overall economic climate is a threat. The Director was asked to strike "State" from this threat. Director Kohtz informed the Board that "Economic climate" is shown as a threat. A discussion also took place on the threat "Inadequate supervisory appraiser knowledge." The Board discussed its authority and ability to correct this issue.

*(Continued on page 28)*

*(Continued from page 27)*

Director Kohtz reminded the Board that Title 298 includes procedures for the Board to address USPAP deficiencies found in a report with a supervisory appraiser. The Board agreed that more discussion should take place regarding the use of this procedure. The Board agreed to keep the remaining threats as stated. Board Member Gerdes expressed concern with the commodification of appraisals. At times, the number is all that matters to the user of the appraisal. The overall details in support of the value conclusion are ignored or are not important and the assignment is awarded to the lowest bidder regardless of the quality as it is only a product. The Board agreed with Board Member Gerdes and requested that this be added as a threat. The Director informed the Board that "Commodification of appraisal reports" has been added to threats. The Board next discussed the effects of consolidation on the industry and the Board. The Board agreed that business consolidation may push some appraisers out of the industry and government consolidation could remove the appraisers' participation and voice in their own regulatory body. Director Kohtz announced that "Business consolidation" and "Government consolidation" have been added to threats. The Board discussed the risk of appraiser users viewing appraisals as a product and added "Commodification of appraisal reports" as a threat.

**S. ADJOURNMENT**

Board Member Minshull moved to adjourn the meeting. Board Member Johnson seconded the motion. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

At 1:24 p.m., Chairperson Downing adjourned the June 13, 2024 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on June 26, 2024, in compliance with Nebraska Revised Statutes §84-1413 (5).

**NEBRASKA REAL PROPERTY APPRAISER BOARD**
**NRPAB OFFICE MEETING ROOM, FIRST FLOOR**
**NEBRASKA STATE OFFICE BUILDING**
**301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

**June 20, 2024 Meeting Minutes**

## A. OPENING

Chairperson Downing called to order the June 20, 2024 meeting of the Nebraska Real Property Appraiser Board at 9:00 a.m. in the Nebraska Real Property Appraiser Board meeting room located on the first floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

## B. NOTICE OF MEETING

Chairperson Downing announced the notice of the meeting was duly given, posted, published, and tendered in compliance with the Open Meetings Act, and all board members received notice simultaneously by email. Publication of official notice of the meeting appeared on the State of Nebraska Public Calendar found at www.nebraska.gov on June 12, 2024. The agenda was kept current in the Nebraska Real Property Appraiser Board office and on the Board's website. In accordance with the Open Meetings Act, at least one copy of all reproducible written material for this meeting, either in paper or electronic form, was available for examination and copying by members of the public. The material in paper form was available on the table in a public folder, and the material in electronic form was available on the Board's website in Public Meeting Material (https://appraiser.ne.gov/board_meetings/). A copy of the Open Meetings Act was available for the duration of the meeting. For the record Bonnie Downing of Dunning, Nebraska, Cody Gerdes of Lincoln, Nebraska, Kevin Hermsen of Gretna, Nebraska, Rodney Johnson of Norfolk, Nebraska, and Derek Minshull of North Platte, Nebraska were present. Also present were Director Tyler Kohtz, Business Programs Manager Karen Loll, Licensing Programs Manager Allison Nespor, and Education Program Manager Kashinda Sims, who are headquartered in Lincoln, Nebraska.

### ADOPTION OF THE AGENDA

Chairperson Downing reminded those present for the meeting that the agenda cannot be altered twenty-four hours prior to the meeting except for emergency items according to the Open Meetings Act. Board Member Minshull moved to adopt the agenda as printed. Board Member Gerdes seconded the motion. With no further discussion, the motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Board Member Gerdes moved that the Board go into executive session for the purpose of reviewing applicants for credentialing; applicants for appraisal management company registration; investigations; pending litigation, or litigation which is imminent as evidenced by communication of a claim or threat of litigation; and employee performance evaluation. A closed session is clearly necessary to prevent needless injury to the reputation of those involved. Board Member Hermsen seconded the motion. The time on the meeting clock was 9:03 a.m. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Board Member Johnson moved to come out of executive session at 10:07 a.m. Board Member Minshull seconded the motion. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Break from 10:07 a.m. to 10:19 a.m.

**G. WELCOME AND CHAIR'S REMARKS**

Chairperson Downing welcomed all to the June 20, 2024 meeting of the Nebraska Real Property Appraiser Board and thanked staff for its work on strategic planning and today's meeting. The Chairperson noted that there were no members of the public in attendance.

**H. NRPAB EMPLOYEE RECOGNITION AWARD**

According to Director Kohtz, each staff member represented the Board with integrity, and performed their duties with efficiency and accuracy during FY 2023-24. Director Kohtz announced that, in accordance with the Board's Employee Recognition Plan, he, Allison Nespor, Kashinda Sims, and Karen Loll were each nominated for a $500.00 monetary gift for their excellence in service for FY 2023-24. These nominations were approved by Chairperson Downing and are being recognized at today's meeting. The award will appear on the June 26, 2024 payroll. All Board members thanked the staff for their hard work through the year.

**I. BOARD MEETING MINUTES**

**1. APPROVAL OF MAY 16, 2024 MEETING MINUTES**

Chairperson Downing asked for any additions or corrections to the May 16, 2024 meeting minutes. With no discussion, Board Member Downing called for a motion. Board Member Minshull moved to approve the May 16, 2024 meeting minutes as presented. Board Member Gerdes seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**J. DIRECTOR'S REPORT**

**1. REAL PROPERTY APPRAISER AND AMC COUNTS AND TRENDS**

**a. Real Property Appraiser Report**

Director Kohtz presented seven charts outlining the number of real property appraisers as of June 20, 2024 to the Board for review. The Director reported that trends were stable and indicated that he had no specific comments. Director Kohtz asked for any questions or comments. There was no further discussion.

**b. Temporary Real Property Appraiser Report**

Director Kohtz presented three charts outlining the number of temporary credentials issued as of May 31, 2024 to the Board for review. The Director reported that trends were stable and indicated that he had no specific comments. Director Kohtz asked for any questions or comments. There was no further discussion.

**c. Supervisory Real Property Appraiser Report**

Director Kohtz presented two charts outlining the number of supervisory real property appraisers as of June 20, 2024 to the Board for review. The Director reported that trends were stable and indicated that he had no specific comments. Director Kohtz asked for any questions or comments. Board Member Minshull noted the downward shift that started in 2023 and asked if the cause is known. The Director indicated that there are a couple factors that could cause the decline; however, the specific reason for the January 2024 decline will not be known for a year or two. Director Kohtz explained that many supervisory real property appraisers retired last year, and the first AQB approved PAREA program started. If a person obtains their residential experience through the PAREA program, they will not need to be registered as a trainee real property appraiser if applying for the certified residential or licensed residential classifications. If the trend remains stable or the numbers increase, it is likely that retirements were the primary cause of the January 2024 decline. If the number of registered supervisory real property appraisers continues to drop, it is likely that the PAREA program is having a significant impact on the number of registered supervisory real property appraisers. LPM Nespor informed the Board that a PAREA participant has two years to complete the program and the program is one year in. Board Member Hermsen asked if the Board would see work product from an PAREA applicant. Director Kohtz indicated that if all experience is obtained in the PAREA program, then no, the applicant would only provide a certificate evidencing the successful completion of the PAREA program. Board Member Hermsen commented that he was unaware of that. The Director informed the Board that from everything he has seen pertaining to the PAREA program, it is pretty intense, and the participant is developing many appraisals. Director Kohtz added that if the Board ever begins to see an issue specific to real property appraisers who obtained their experience through PAREA, it could take necessary action to address the issue, whatever that might be. Board Member Hermsen also commented that for many potential residential real property appraisers it is difficult to find a supervisory real property appraiser as they are typically training their future competition. Board Member Johnson remarked that supervisory real property appraisers must be creative in their attempt to retain those they train once the credential is issued, such as paying for their education in exchange for staying with that entity for a certain amount of time. Director Kohtz was asked if the voluntary supervisory real property appraiser list on the website is populated. The Director responded that it is populated. The number increases and decreases with time, but overall, there is always a healthy number of real property appraisers on the list. There was no further discussion.

**d. Appraisal Management Company Report**

Director Kohtz presented two charts outlining the number of AMCs as of June 20, 2024 to the Board for review. The Director reported that trends were stable and indicated that he had no specific comments. LPM Nespor noted that Nebraska would be losing two more AMCs as one has become a Federally Regulated AMC and no longer wished to maintain its state registration, and another has indicated that it would not be renewing its Nebraska registration. Board Member Minshull inquired if Federally Regulated AMCs could work in Nebraska. Director Kohtz confirmed that they could work in the state. Director Kohtz asked for any questions or comments. There was no further discussion.

**2. DIRECTOR APPROVAL OF APPLICANTS**

**a. Real Property Appraiser Applicants**

Director Kohtz presented the Real Property Appraiser Report to the Board for review showing real property appraiser applicants approved for credentialing by the Director, and the real property appraiser applicants approved to sit for exam by the Director, for the period between May 8, 2024 and June 7, 2024. The Director asked for any questions or comments. There was no further discussion.

**b. Education Activity and Instructors Report**

Director Kohtz presented the Education Activities and Instructors Report to the Board for review showing education activities and instructors approved by the Director for the period between May 8, 2024 and June 7, 2024. The Director asked for any questions or comments. There was no further discussion.

**K. FINANCIAL REPORT AND CONSIDERATIONS**

**1. APPROVAL OF MAY RECEIPTS AND EXPENDITURES**

The receipts and expenditures for May were presented to the Board for review in the Budget Status Report. Director Kohtz brought attention to the PSL expenditures in the amount of $34,723.08 and noted that these expenditures are much higher than normal as there were three pay periods in May. The Director then brought attention to the Publication and Print Expense and informed the Board that the majority of the $434.84 expenditure includes the January through March quarterly copy services expense. Director Kohtz proceeded to overall expenditures for the month, and indicated that the expenditures for the month of May totaled $44,722.31, and the year-to-date expenditures for the fiscal year are $350,689.39, which amounts to 77.21 percent of the budgeted expenditures for the fiscal year; 92.05 percent of the fiscal year has passed.

Director Kohtz next turned the Board's attention to revenues and noted that new credentialing fee receipts for the certified general and certified residential classifications were strong for the month. AMC renewal receipts were strong for the month as well. The Director then brought attention to Investment Income and informed the Board that no revenues were recorded due to an accounting glitch in May. The Investment Income for April and May should appear on the June report. The Director informed the Board that revenues for the month of May were $17,400.75, and that the year-to-date revenues for the fiscal year are $365,579.75, which amounts to 94.28 percent of the projected revenues for the fiscal year. Director Kohtz reiterated that 92.05 percent of the fiscal year has passed. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz then guided the Board to the MTD General Ledger Detail report for the month of May and brought attention to Batch #7463541 with the Payee/Explanation, "Smith, Nicholas" found on page K.4 for $10.00. The Director reported that this payment was a refund of the Fingerprint Audit Program Fees paid by Smith for a trainee real property appraiser credential. Smith upgraded prior to the first of the year, so the trainee renewal was never active. Director Kohtz then brought attention to the travel expenditures with a Payee/Explanation of "Kohtz, Tyler N" found on page K.7 and reported that these costs were for his attendance at the AARO spring conference.

Director Kohtz presented four graphs showing expenses, revenues, and cash balances. The Director noted expenditures of $44,722.31 and revenues of $17,400.75 for the month of May for the Real Property Appraiser program, which includes both the Appraiser Fund and the AMC Fund. The Director reported that the Real Property Appraiser Fund expenditures totaled $30,218.46, the Real Property Appraiser Fund revenues totaled $6,873.96, the AMC Fund expenditures totaled $14,503.85, and the AMC Fund revenues totaled $10,526.79. Director Kohtz remarked that the cash balance for the AMC Fund is $324,510.74, the Appraiser Fund is $411,698.54, and the overall cash balance for both funds is $736,209.28.

The Director asked for any questions or comments. Board Member Gerdes inquired how the balances were determined to be high or low and if fees needed to be increased. Board Member Minshull indicated that fee increases would be based on expenditures. Director Kohtz reported that the State Auditor's Office requires the Board to have a minimum cash fund balance policy to help determine what is an appropriate cash fund balance for both the Appraiser Program and the AMC Program. When the cash fund balances approach those minimums, a decrease in expenditures or an increase in revenues is required to keep the balances above the minimum. The Director acknowledged Board Member Minshull's comment and agreed. There was no further discussion.

Board Member Johnson moved to accept and file the May financial reports for audit. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**2. EMPLOYEE RECOGNITION AWARD**

Director Kohtz presented an Agenda Item Summary requesting approval for funding in the amount of $2,000.00 to be transferred from Other Operating Expenses, 559100, to Employee Bonuses, 511700, to accommodate the excellence in service awards approved to be issued with the June 26, 2024 payroll in accordance with the Board's Employee Recognition Plan. Board Member Minshull moved to approve funding in the amount of $2,000.00 to be transferred from Other Operating Expenses, 559100, to Employee Bonuses, 511700, for the four employee recognition awards. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**3. PER DIEMS**

Director Kohtz informed the Board that he had no per diem requests for this meeting and asked if any board members had a request for the Board to consider. There was no further discussion.

**L. GENERAL PUBLIC COMMENTS**

No members of the public were present. With no public comments, Chairperson Downing moved on to Education.

**M. EDUCATION**

**1. Application for Approval as Continuing Education**

**a. 2243458.33: Appraiser eLearning – "Scan to Sketch – Practical Application of Mobile Appraising."**

EPM Sims presented an Agenda Item Summary to the Board concerning an Application for Approval as a Continuing Education Activity in Nebraska for the activity titled, "Scan to Sketch - Practical Application of Mobile Appraising," received on May 20, 2024. EPM Sims explained, upon review of the material, the primary purpose of the activity appears to be training in the use of a specific software instead of a utilization of software to improve competency in real property appraisal-related computer applications. The Board held discussion as to if the activity met the standard of contributing to a credential holder's development of real property appraiser related skill, knowledge, and competency in any one or more of the subjects identified, including real property appraisal-related computer applications. Board Member Minshull indicated that the activity may improve the accuracy of residential reports. Board Member Johnson questioned the workings of the program. Board Member Hermsen responded that the program appears to create a floor plan sketch from scans taken at corners. Chairperson Downing inquired if the activity was approved in other states. EPM stated that it was approved in eight or nine other states. The Board also questioned the length of the activity; specifically, the seven-hour time to learn this information. Board Member Gerdes read through the topics included with the student and instructor materials, including data collection and inspection. The Board agreed that the activity would improve the accuracy and credibility of reports. Board Member Johnson moved to approve the Application for Approval as a Continuing Education Activity in Nebraska for the continuing education activity titled, "Scan to Sketch - Practical Application of Mobile Appraising" (2243458.33). Board Member Gerdes seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no further discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**N. UNFINISHED BUSINESS**: No discussion

**O. NEW BUSINESS:** No discussion

**P. LEGISLATIVE REPORT AND BUSINESS**

Director Kohtz informed the Board that he is finalizing the Title 298 draft and has added language to implement the fee tables to implement the statutory fees as discussed during the Board's June 13, 2024 strategic planning meeting. The Director acknowledged the Board's guideline for a 5% fee change per year, but informed the Board that due to the difference in fee sizes, it is difficult to change 5% each year for all fees, so more focus was placed on making the fee changes nearly equal over the three-year period; the final change would go into effect for the FY2027-28 fiscal year. Director Kohtz informed the Board that during the drafting of this language, two questions came to mind that he would like for the Board to address. First, since the random CHRC program has been retired, trainee real property appraisers will pay no fees for renewals. The Director asked if this is the Board's intent for trainee real property appraisers. The Board agreed that no fees should be charged to trainee real property appraisers for renewals as these individuals have already have significant costs to enter the profession. Director Kohtz replied that this was the Board's thought process when the formal supervisory real property appraiser and trainee program was established. So, no new fees will be added to the Title 298 draft for trainee real property appraisers. The Director then turned his attention to education fees and informed the Board that, although the fees are small, any pressure that could be taken off of real property appraisers would be helpful. The Director asked the Board if it would consider a fee change for education activity review and approval. Director Kohtz was asked if he has a number in mind. The Director reported a fee of $100.00 for new qualifying education and resubmission, $50.00 for new continuing education and resubmission, and $25.00 for continuing education renewal. Board Member Minshull inquired as to when the last fee increase occurred. The Director replied that no changes had been made since he joined the agency. Chairperson Downing asked how long each type of application takes to process, and what other states are charging for the same. EPM Sims explained the amount of time spent on the different applications and detailed the difference between the review process for AQB approved education activities compared to non-AQB approved activities, which take significantly more time to process. EPM Sims estimated eight hours for a typical non-AQB approved qualifying education activity, and four hours for a typical non-AQB approved continuing education activity. The Board commented on the discrepancy between the fee collected such work and the resources needed to see an application through to approval. Director Kohtz brought attention to fees collected in other states and informed the Board that comparisons are difficult due to many other states' appraiser regulatory function being a part of a larger agency. Often, such fees are collected and deposited into a general fund. As an independent board, the Board operates more like a business with expenditures and revenues that must balance. Board Member Hermsen asked if the fees could be different for AQB approved activities compared to non-AQB approved activities. Director Kohtz responded that they could be, and that it would make sense to do so. The Board agreed that, given the significant amount of time it takes to process education activity applications, the following fee changes are to be included in the Title 298 draft implemented over a three-year period:

- Qualifying education new and resubmission fees for AQB/CAP approved education activities changed from $50.00 to $100.00 per application.
- Qualifying education new and resubmission fees for non-AQB/CAP approved education activities changed from $50.00 to $500.00 per application.
- Continuing education new and resubmission fees for AQB/CAP approved education activities changed from $25.00 to $50.00 per application.
- Continuing education new and resubmission fees for non-AQB/CAP approved education activities changed from $25.00 to $250.00 per application.

- Continuing education renewal fees for all education activities changed from $10.00 to $25.00 per application.

Director Kohtz informed the Board that he will add the recommended changes to the Title 298 draft. There was no further discussion.

**Q. ADMINISTRATIVE BUSINESS:**

**1. GUIDANCE DOCUMENTS:** No discussion.

**2. INTERNAL PROCEDURAL DOCUMENTS**

**a. 201704: AMC Fund Cash Balance**

Director Kohtz presented the amended Internal Procedure 201704 to the Board for consideration. The Director reported that the procedure is the same, but the numbers have been updated based on the FY2024-25 budget, effective July 1, 2024. Director Kohtz stated that the minimum fund balance for the AMC fund shall be $224,348.50. The Director asked for any questions or comments. There was no further discussion.

**b. 201705: Real Property Appraiser Fund Cash Balance**

Director Kohtz presented the amended Internal Procedure 201705 to the Board for consideration. The Director reported that the procedure is once again the same, but the numbers have been updated based on the FY2024-25 budget, effective July 1, 2024. Director Kohtz stated that the minimum fund balance for the real property appraiser fund shall be $358,861.50. The Director asked for any questions or comments. There was no further discussion.

Board Member Minshull moved to approve Internal Procedure 201704 and Internal Procedure 201705 as presented. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**3. FORMS, APPLICATIONS, AND PROCEDURES**

**a. Criminal History Record Check Procedures**

Director Kohtz presented the revised Criminal History Record Check Procedures to the Board for consideration and asked LPM Nespor to provide a summary of the changes. LPM Nespor informed the Board that the procedures have been updated to incorporate the Business Programs Manager position; harmonize the procedures with statutory changes, such as removal of the Random CHRC Program for real property appraisers and amending the AMC ownership CHRC requirements to only obtain a CHRC for new owners of 10% or more; and minor formatting changes. The Director asked for any questions or comments. There was no further discussion. Board Member Johnson moved to approve the Criminal History Record Check Procedures as presented. Board Member Gerdes seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**R. OTHER BUSINESS**

1. **BOARD MEETINGS:** No discussion.

2. **CONFERENCES/EDUCATION:** No discussion.

3. **MEMOS FROM THE BOARD:** No discussion.

4. **QUARTERLY NEWSLETTER:** No discussion.

5. **APPRAISAL SUBCOMMITTEE:** No discussion.

6. **THE APPRAISAL FOUNDATION**

   a. **TAF June Newsletter**

   Director Kohtz presented The Appraisal Foundation's June Newsletter to the Board for review and reported that he had no specific comments. The Director asked for any questions or comments. There was no discussion.

   b. **TAF Seeks Candidates for the AQB and ASB**

   Director Kohtz presented The Appraisal Foundation's Call for Applicants for the Appraiser Qualifications Board and the Appraisal Standards Board to the Board for review and reported that he had no specific comments. The Director asked for any questions or comments. There was no discussion.

   c. **AQB Q&A-Upzoning**

   Director Kohtz present the TAF document titled "Upzoning and Questions Related to Appraiser Qualifications Q&As" to the Board for review. The Director guided the Board's attention to the question found on page R.9, "My state requires appraisers to be credentialed and to comply with USPAP. The scope of practice for a Certified Residential credential is limited to residential one-to-four-unit properties. Many residential properties in my state have recently been upzoned beyond four units. Does USPAP allow any appraiser who holds a Certified Residential credential to complete an appraisal assignment for these upzoned properties?" The Director reported that TAF correctly answered that USPAP does not address issues regarding the scope of practice as restricted by your state-issued credential.

   The Director then presented the question, "I am currently appraising properties in an area that has undergone rezoning. Previously, the zoning allowed for the construction of between one and four residential units on the lots. However, the new zoning permits up to six residential units to be built on these properties. As a Certified Residential Appraiser, does my credential allow me to appraise these rezoned properties?" Director Kohtz reported that "The AQB does not define your scope of practice. Individuals should reference agency regulations and state laws to determine the scope of practice for Certified Residential (or Licensed) appraisers and the types of properties that may be appraised."

*(Continued on page 10)*

*(Continued from page 9)*

The Director also added, "It's essential to note that the Federal Financial Institutions Regulatory Agencies, along with other agencies and regulatory bodies, extend the authority of the Certified Residential (or Licensed) classification to appraise properties beyond those specified within these Criteria." The Director expressed confusion with this response as to does not appear to meet the intent of 12 U.S.C. 3342(2) as it pertains to the properties on which appraisals may be performed by a licensed residential real property appraiser. In addition, this response creates a disconnect with the Real Property Appraiser Qualifications Criteria as the scope of practice is defined under the "General" section for each classification. Director Kohtz then reported that he emailed Jonny Stewart, the state's ASC Policy Manager to get clarification on this issue. PM Stewart acknowledged that this is a new issue that has come up in other states and indicated that the Board should adhere to Guide Note 3 in the Criteria, but that more information may be coming in the future. The Director finished by informing the Board that he does not recommend any changes to the scope of practice for any classification at this time, but that he will continue monitoring this situation. The Director asked for any questions or comments. There was no further discussion.

**d. AQB Concept Paper - Assessment of College Degree Requirements within the Criteria**

Director Kohtz presented The Appraisal Foundation's document titled, "Concept Paper - Assessment of College Degree Requirements with the Criteria" to the Board for review and stated that the concept paper provides a history of the college education requirements and askes a series of questions. The Director informed the Board that LPM Nespor attended TAF's presentation on the concept paper. LPM Nespor reported that TAF did not give any indication of possible changes, but that it was asking for input, opinions, and recommended alternatives pertaining to college education requirements in the Criteria. Board Member Hermsen expressed belief that the college degree requirements have already been waived. Director Kohtz responded that the licensed residential classification has no college education requirements and that the certified residential classification was reduced from a bachelor's degree to a variety of post-secondary education options. LPM Nespor added that a path from licensed residential to certified residential was also established for those that do not have a degree when the previously mentioned changes took place. The Director asked for any questions or comments. There was no further discussion.

**7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS:** No discussion.

**8. IN THE NEWS:** No discussion.

**C. Credentialing as a Nebraska Real Property Appraiser:**

The Board reviewed applicants CG23039, CG24001, and CG24002. Chairperson Downing asked for motions on CG23039, CG24001, and CG24002.

Board Member Gerdes moved to take the following action:

**CG24001 / Provide redacted copy of UPSAP Compliance Review Report pertaining to the Scotts Bluff County and Morrill County, Nebraska report to the applicant and require the applicant to complete an additional 700 hours of real property appraisal practice experience; more than 350 of those hours must include three approaches to value, and send letter to organization employing applicant to explain the Board's concerns with appraisals produced by the organization and provide redacted copies of USPAP Compliance Review Reports obtained by the Board.**

Board Member Minshull seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull and Downing voting aye.

Board Member Gerdes moved to take the following action:

**CG23039 / Assign Board Member Gerdes and Board Member Johnson to meet with the applicant to discuss deficiencies found in the reports as authorized in Title 298 NAC Chapter 2, Section 002.14A.**

Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull and Downing voting aye.

Board Member Gerdes moved to take the following action:

**CG24002 / Deny the applicant's request for the Board to amend its April 18, 2024 action pertaining to the application and send applicant a redacted copy of the USPAP Compliance Review Report for the Seward County, Nebraska report.**

Board Member Minshull seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull and Downing voting aye.

**D. Registration as an Appraisal Management Company:**

The Board reviewed applicants NE2012081, NE2018003, NE2021002, and NE2021004. Chairperson Downing asked for motions on NE2012081, NE2018003, NE2021002, and NE2021004.

Board Member Gerdes moved to take the following action:

**NE2021004 / Approve Application for Renewal of Nebraska Appraisal Management Company Registration and issue a written advisory reminding applicant of the importance of answering questions truthfully on an application and that applicant take notice of Neb. Rev. Stat. § 76-3216(1) concerning the direct or indirect engagement in or attempt to engage in business as an appraisal management company in this state without first obtaining a registration.**

Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull and Downing voting aye.

Board Member Gerdes moved to take the following action:

**NE2012081 / Approve Application for Renewal of Nebraska Appraisal Management Company Registration and issue a written advisory reminding applicant of the importance of answering questions truthfully on an application.**

Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull and Downing voting aye.

Board Member Gerdes moved to take the following action:

**NE2021002 / Approve Application for Renewal of Nebraska Appraisal Management Company Registration and issue a written advisory reminding applicant of the importance of answering questions truthfully on an application.**

Board Member Minshull seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull and Downing voting aye.

Board Member Gerdes moved to take the following action:

**NE2018003 / Approve Application for Renewal of Nebraska Appraisal Management Company Registration and issue a written advisory reminding applicant of the importance of answering questions truthfully on an application.**

Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull and Downing voting aye.

**E. Consideration of Compliance Matters**

The Board reviewed compliance matters 23-08, 23-12, and 24-03. Chairperson Downing asked for a motion on 24-03.

Board Member Gerdes moved to take the following action:

> **24-03 / Provide a redacted copy of the grievance to the Nebraska Real Estate Commission.**

Board Member Minshull seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull and Downing voting aye.

**F. Consideration of Other Executive Session Items**

1. **2024.07**

   The Board reviewed 2024.07. Based on the response provided by the education provider, the issue has been resolved. Board Member Gerdes moved to close this matter. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With none, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

2. **Personnel Matters**: No discussion.

**S. ADJOURNMENT**

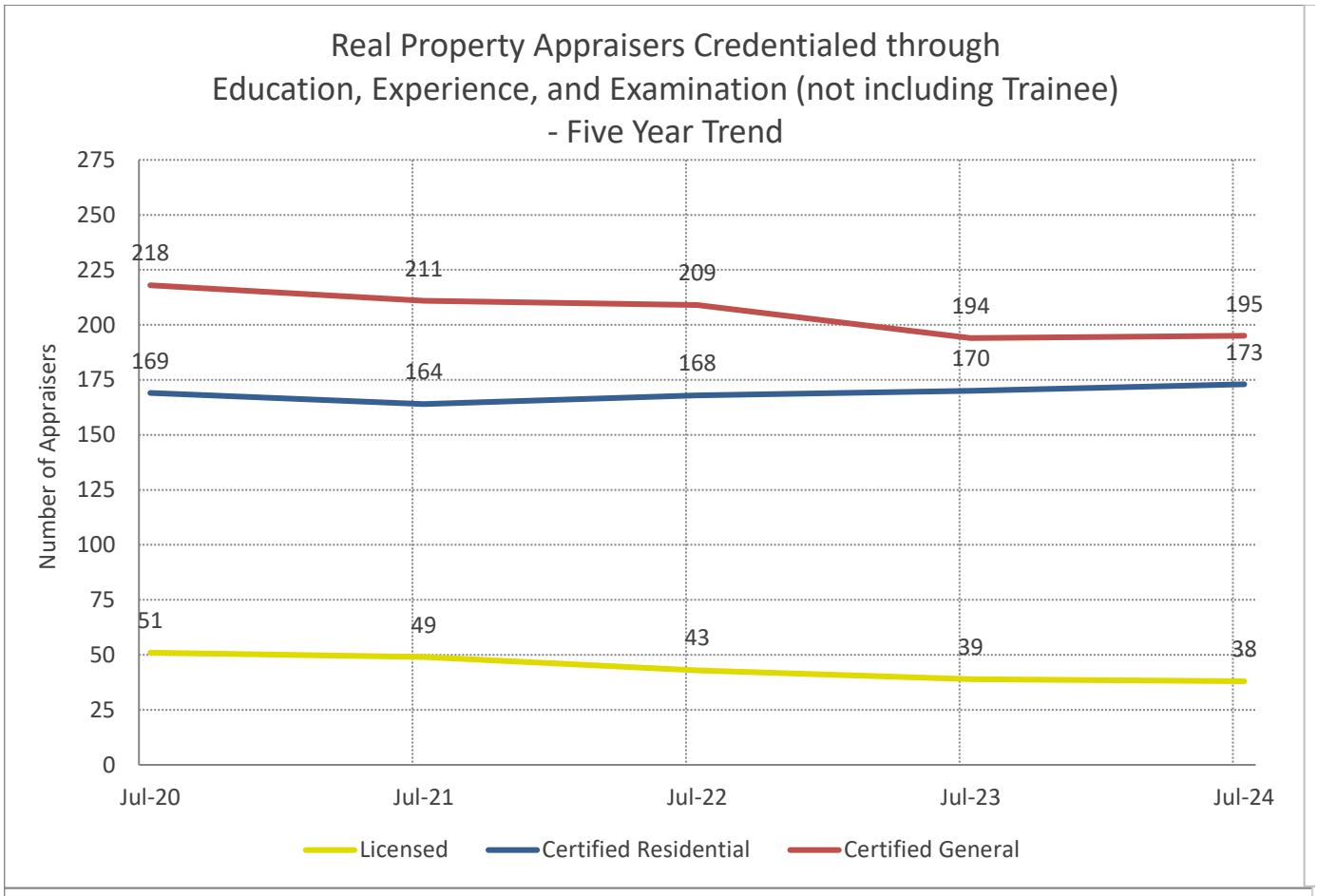
Board Member Hermsen moved to adjourn the meeting. Board Member Johnson seconded the motion. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye. At 11:34 a.m., Chairperson Downing adjourned the June 20, 2024 meeting of the Nebraska Real Property Appraiser Board.

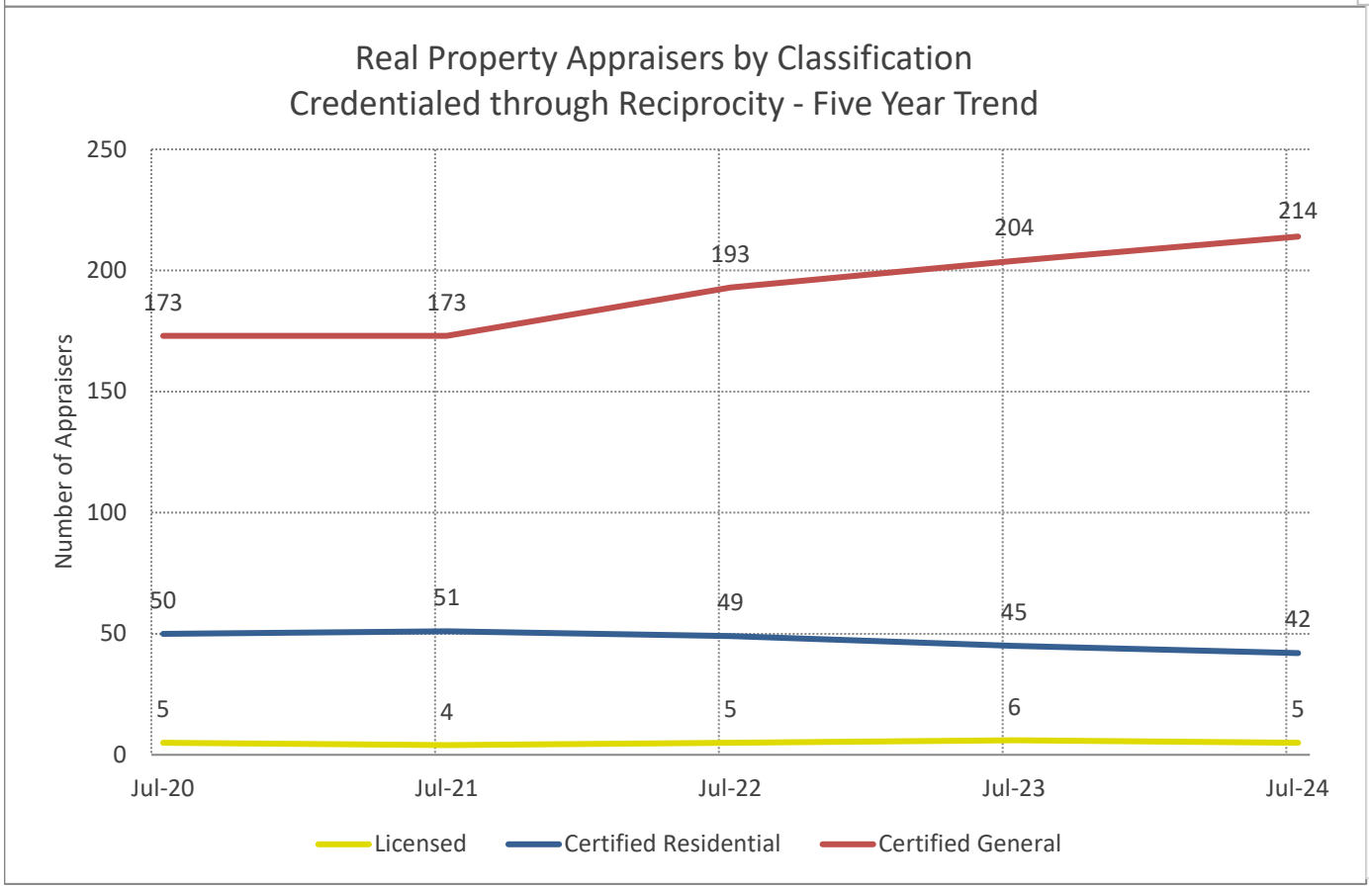
Respectfully submitted,

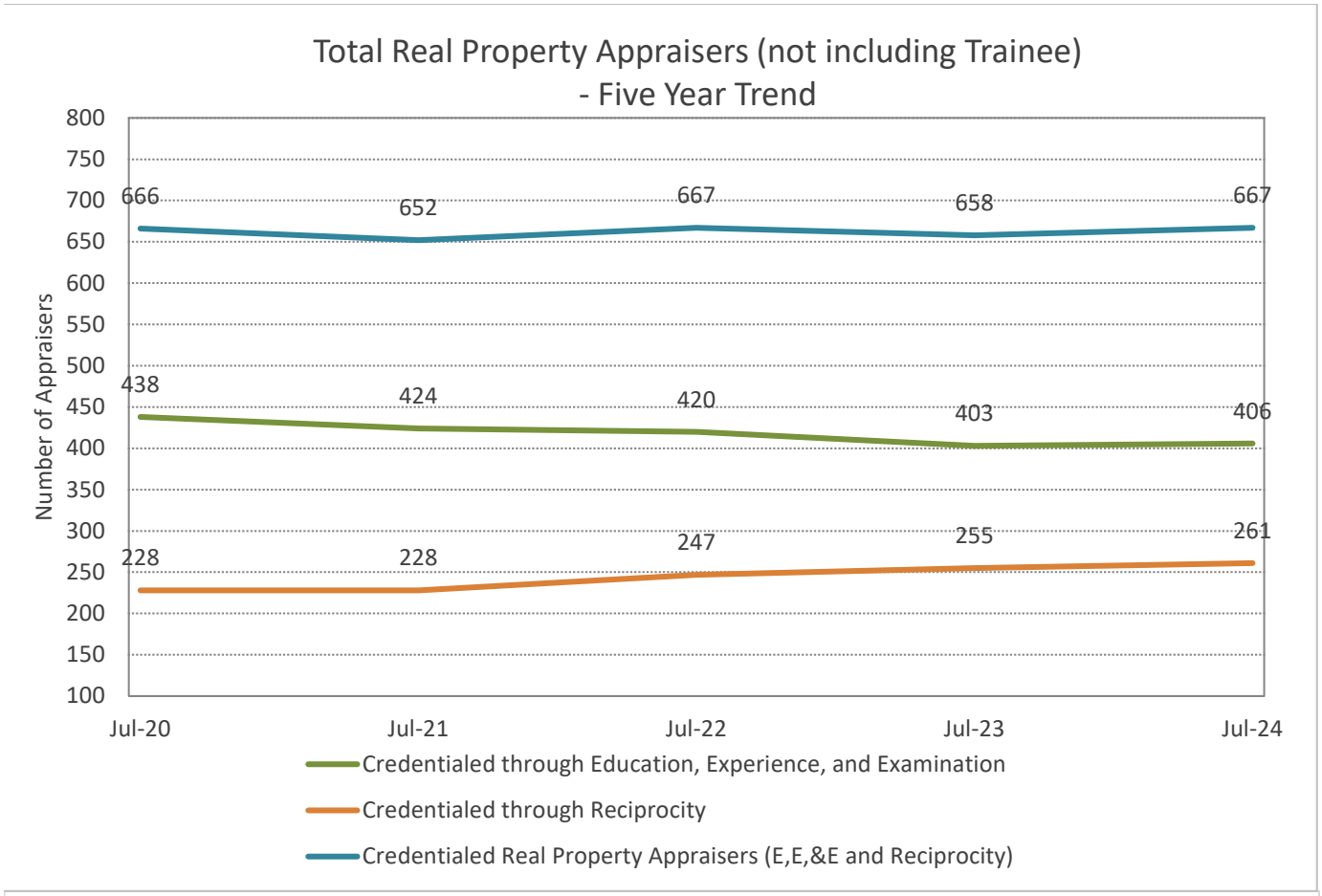
Tyler N. Kohtz
Director

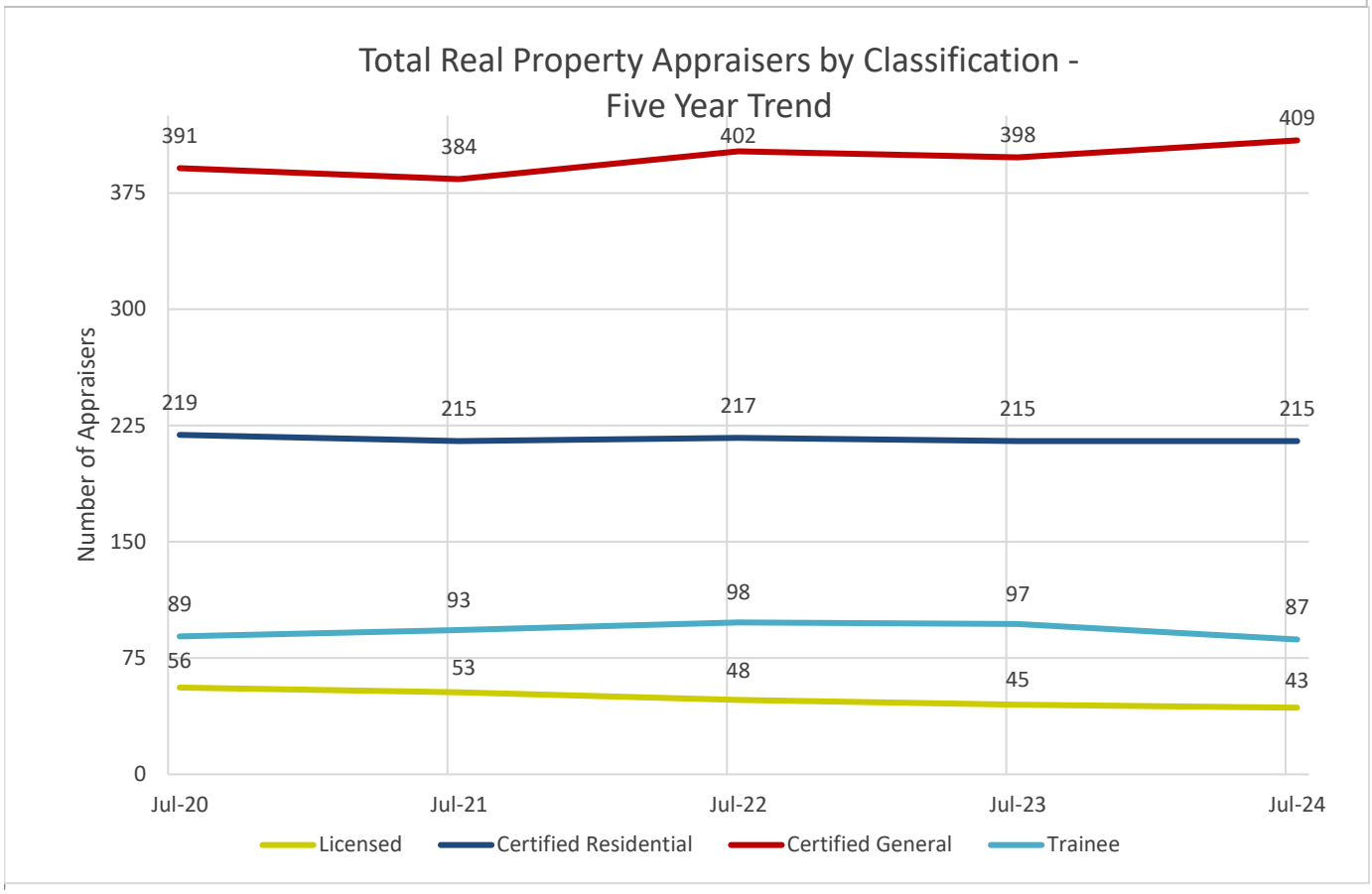
These minutes were available for public inspection on June 28, 2024, in compliance with Nebraska Revised Statute § 84-1413 (5).

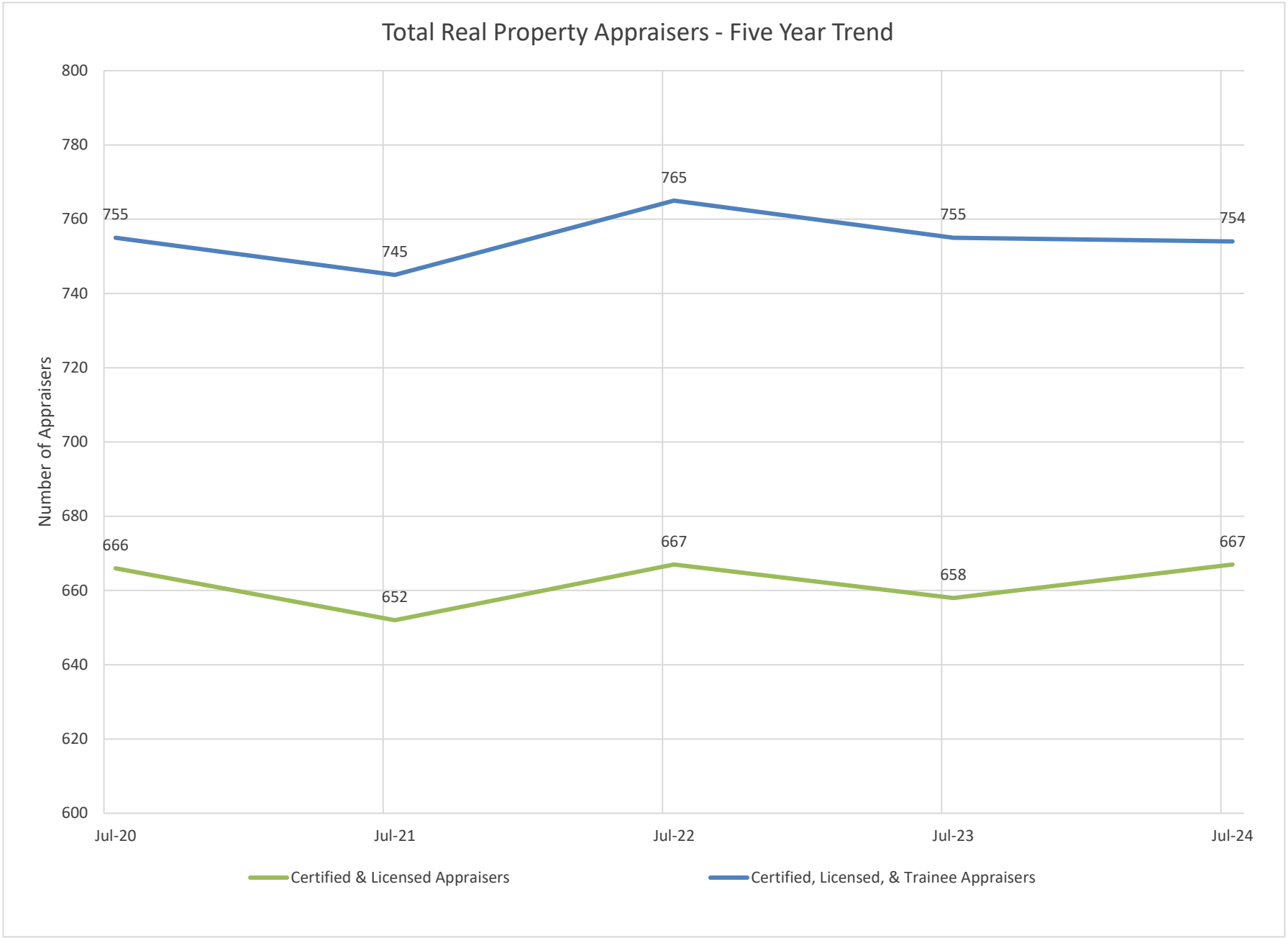
# Real Property Appraiser Report

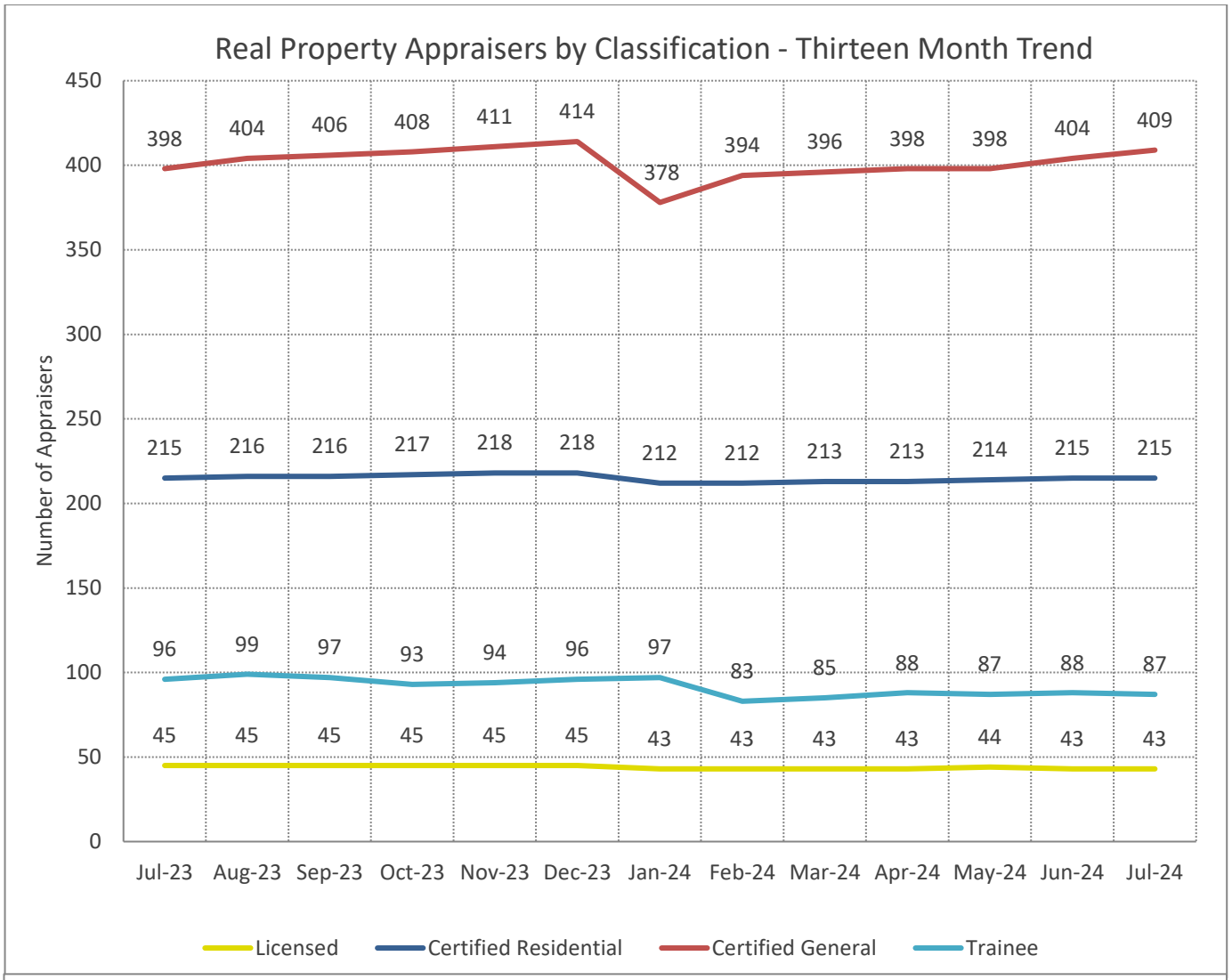


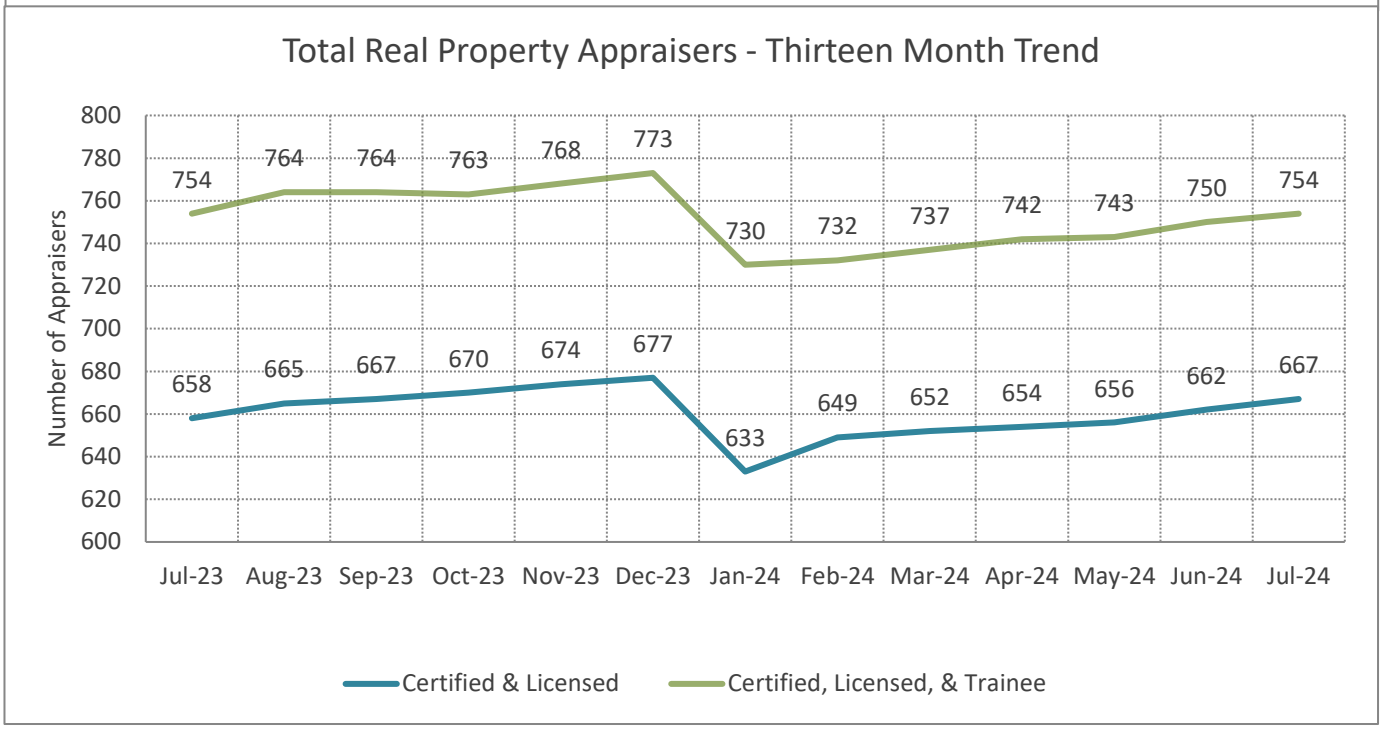



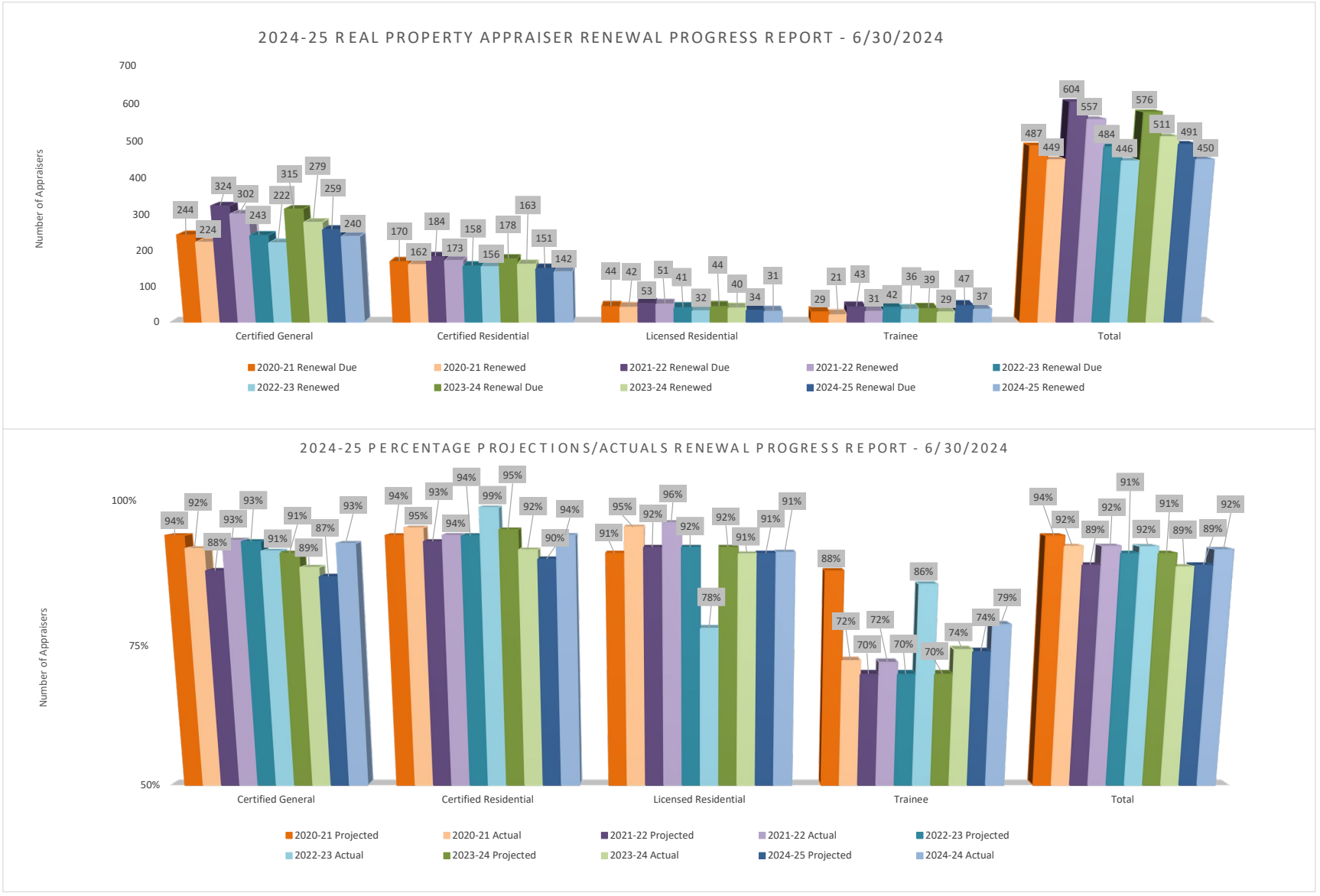

Total Real Property Appraisers (not including Trainee) - Five Year Trend
Number of Appraisers
800
750
700
650
600
550
500
450
400
350
300
250
200
150
100
666
652
667
658
667
438
424
420
403
406
228
228
247
255
261
Jul-20
Jul-21
Jul-22
Jul-23
Jul-24
Credentialed through Education, Experience, and Examination
Credentialed through Reciprocity
Credentialed Real Property Appraisers (E,E,&E and Reciprocity)

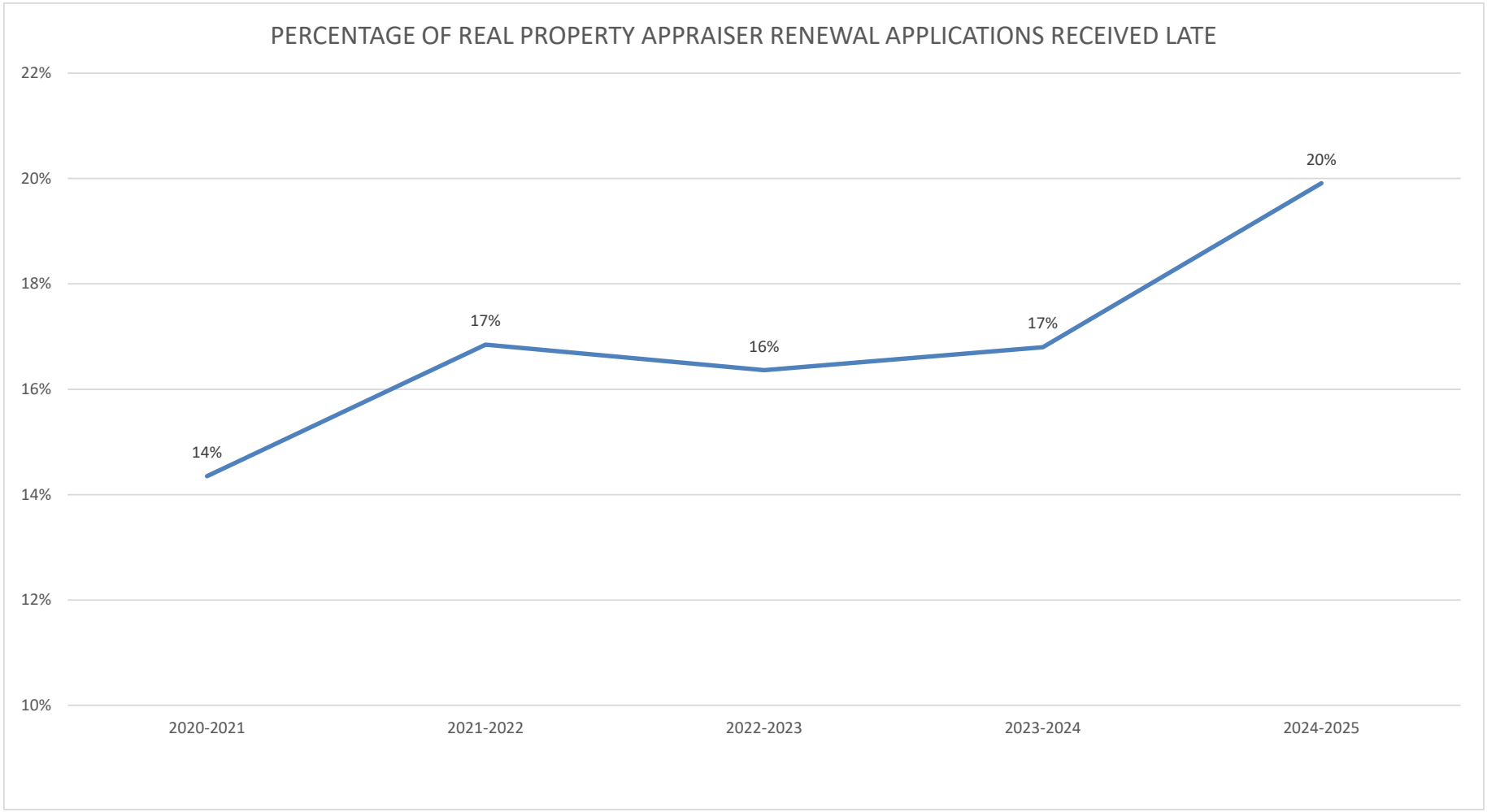

Total Real Property Appraisers by Classification - Five Year Trend
Number of Appraisers
375
300
225
150
75
0
391
384
402
398
409
219
215
217
215
215
89
93
98
97
87
56
53
48
45
43
Jul-20
Jul-21
Jul-22
Jul-23
Jul-24
Licensed
Certified Residential
Certified General
Trainee


Total Real Property Appraisers - Five Year Trend
Number of Appraisers
800
780
760
740
720
700
680
660
640
620
600
755
745
765
755
754
666
652
667
658
667
Jul-20
Jul-21
Jul-22
Jul-23
Jul-24
Certified & Licensed Appraisers
Certified, Licensed, & Trainee Appraisers

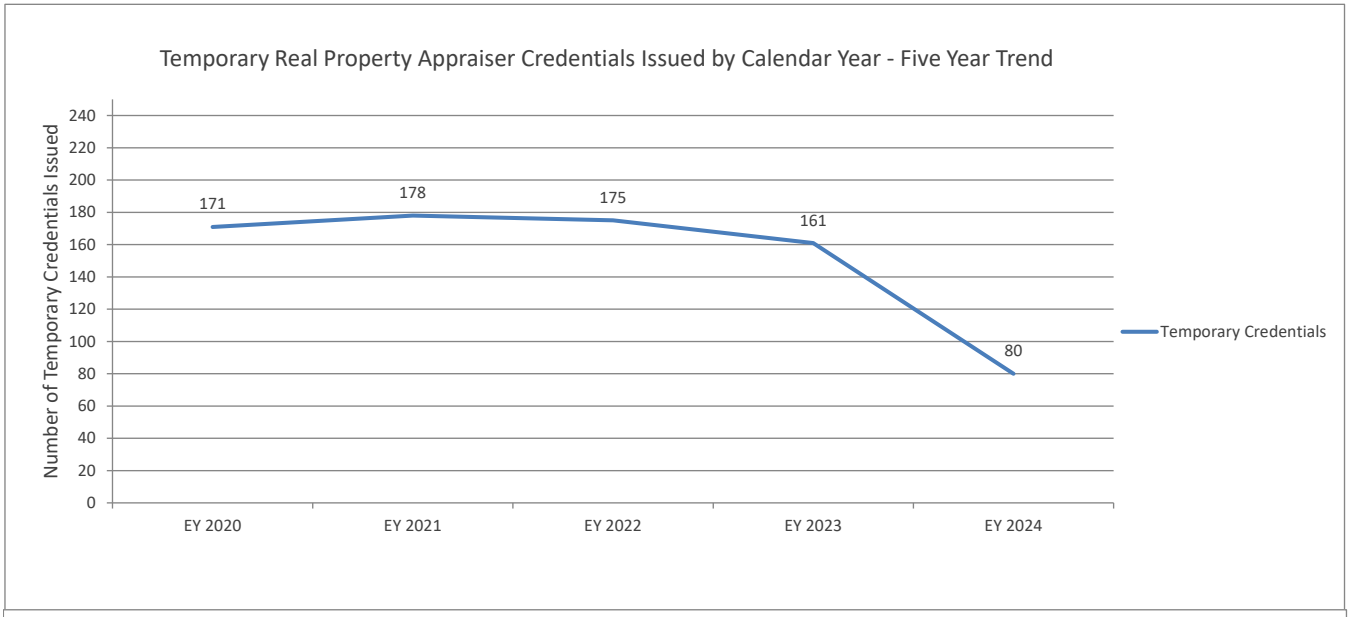

Real Property Appraisers by Classification - Thirteen Month Trend
Number of Appraisers
450
400
350
300
250
200
150
100
50
0
398 404 406 408 411 414 378 394 396 398 398 404 409
215 216 216 217 218 218 212 212 213 213 214 215 215
96 99 97 93 94 96 97 83 85 88 87 88 87
45 45 45 45 45 45 43 43 43 43 44 43 43
Jul-23 Aug-23 Sep-23 Oct-23 Nov-23 Dec-23 Jan-24 Feb-24 Mar-24 Apr-24 May-24 Jun-24 Jul-24
Licensed
Certified Residential
Certified General
Trainee

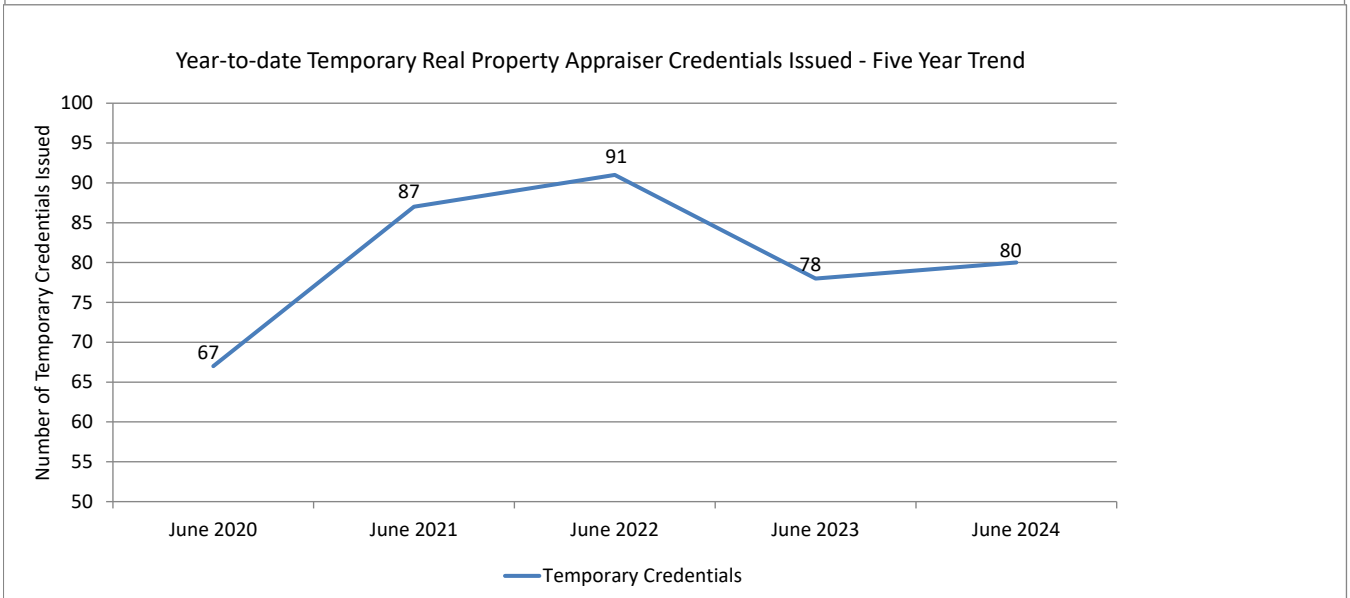

Total Real Property Appraisers - Thirteen Month Trend
Number of Appraisers
800
780
760
740
720
700
680
660
640
620
600
754 764 764 763 768 773 730 732 737 742 743 750 754
658 665 667 670 674 677 633 649 652 654 656 662 667
Jul-23 Aug-23 Sep-23 Oct-23 Nov-23 Dec-23 Jan-24 Feb-24 Mar-24 Apr-24 May-24 Jun-24 Jul-24
Certified & Licensed
Certified, Licensed, & Trainee

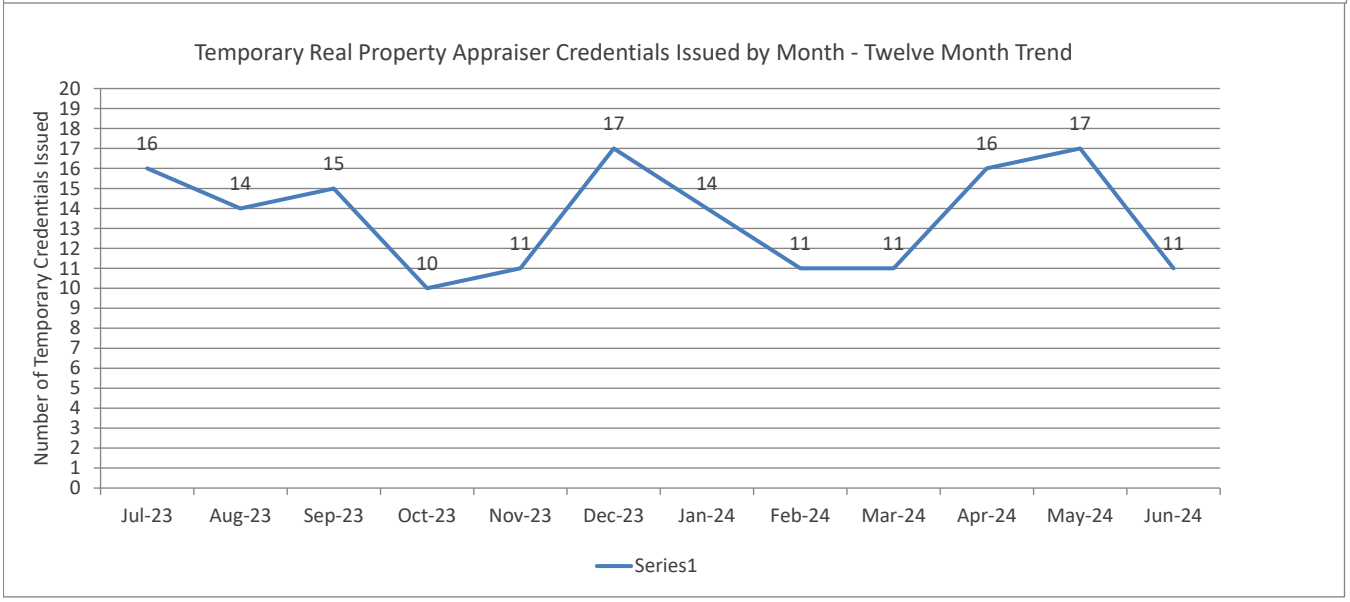

2024-25 REAL PROPERTY APPRAISER RENEWAL PROGRESS REPORT - 6/30/2024
Number of Appraisers
700
600
500
400
300
200
100
0
244 224 324 302 243 222 315 279 259 240
170 162 184 173 158 156 178 163 151 142
44 42 53 51 41 32 44 40 34 31
29 21 43 31 42 36 39 29 47 37
487 449 604 557 484 446 576 511 491 450
Certified General
Certified Residential
Licensed Residential
Trainee
Total
2020-21 Renewal Due
2020-21 Renewed
2021-22 Renewal Due
2021-22 Renewed
2022-23 Renewal Due
2022-23 Renewed
2023-24 Renewal Due
2023-24 Renewed
2024-25 Renewal Due
2024-25 Renewed
2024-25 PERCENTAGE PROJECTIONS/ACTUALS RENEWAL PROGRESS REPORT - 6/30/2024
Number of Appraisers
100%
75%
50%
94% 92% 88% 93% 91% 89% 87% 93%
94% 95% 93% 94% 99% 92% 90% 94%
91% 95% 92% 96% 92% 78% 92% 91% 91%
88% 72% 72% 70% 86% 70% 74% 74% 79%
94% 92% 89% 92% 91% 92% 89% 91% 89% 92%
Certified General
Certified Residential
Licensed Residential
Trainee
Total
2020-21 Projected
2020-21 Actual
2021-22 Projected
2021-22 Actual
2022-23 Projected
2022-23 Actual
2023-24 Projected
2023-24 Actual
2024-25 Projected
2024-24 Actual


PERCENTAGE OF REAL PROPERTY APPRAISER RENEWAL APPLICATIONS RECEIVED LATE
22%
20%
18%
16%
14%
12%
10%
14%
17%
16%
17%
20%
2020-2021
2021-2022
2022-2023
2023-2024
2024-2025

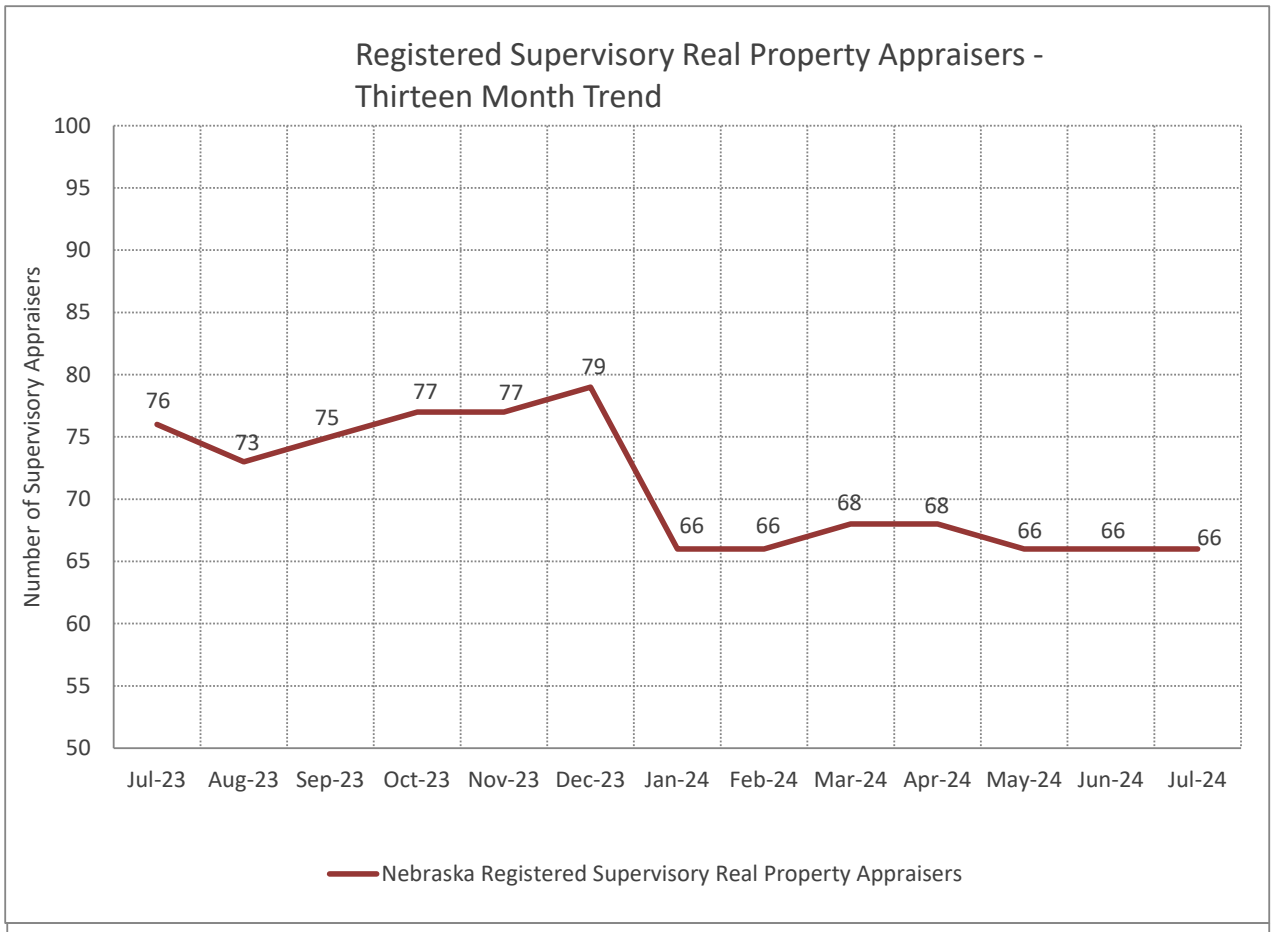
# Temporary Real Property Appraiser Report

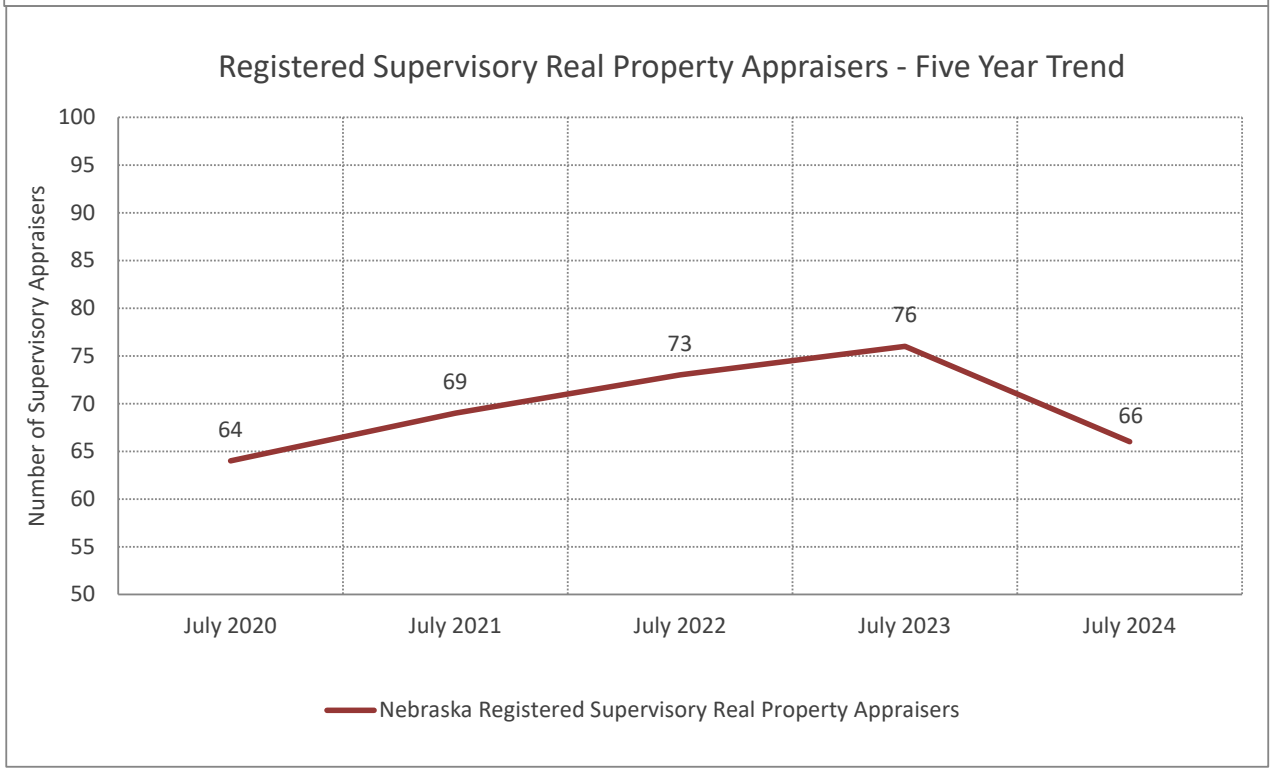


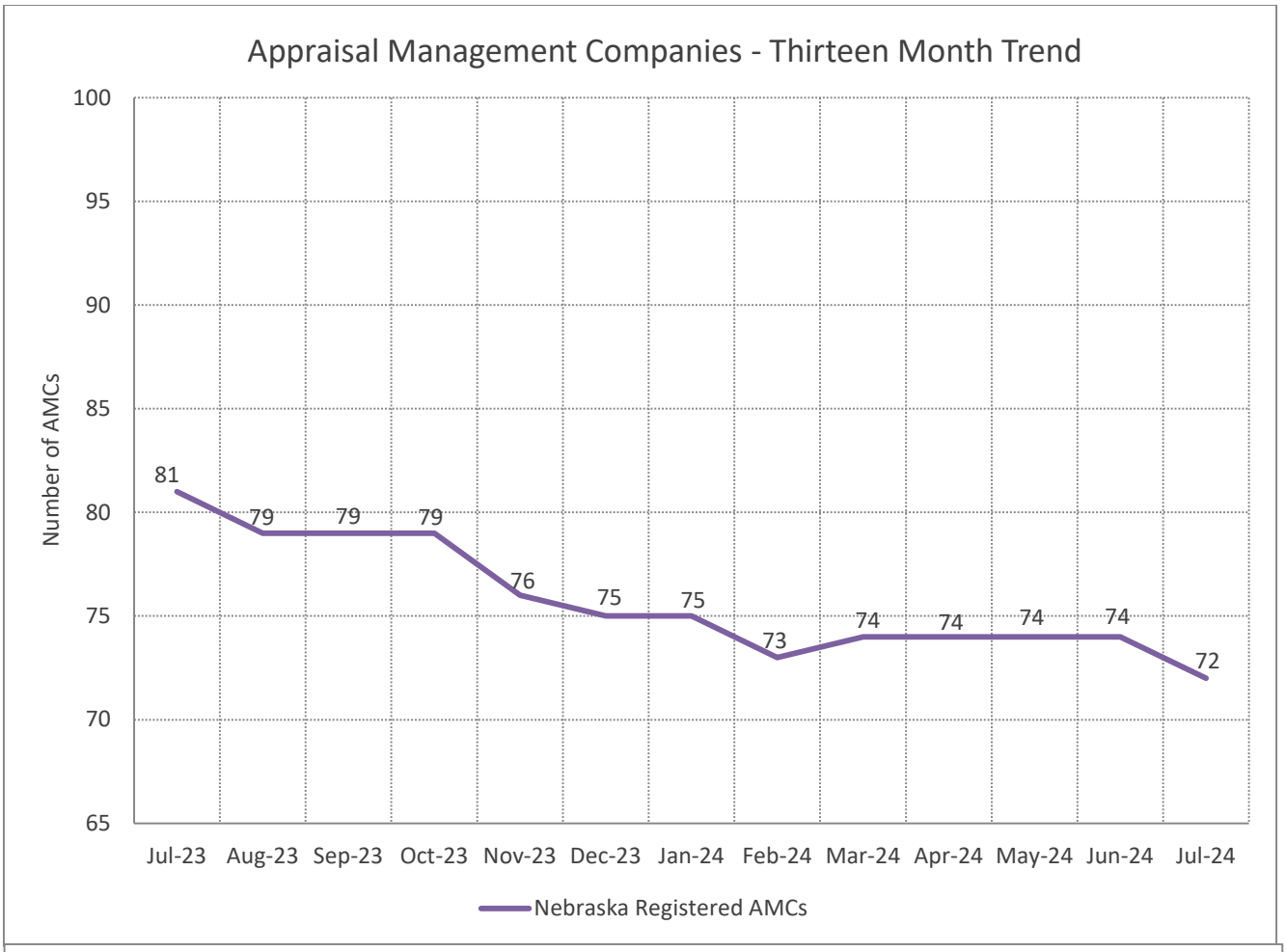



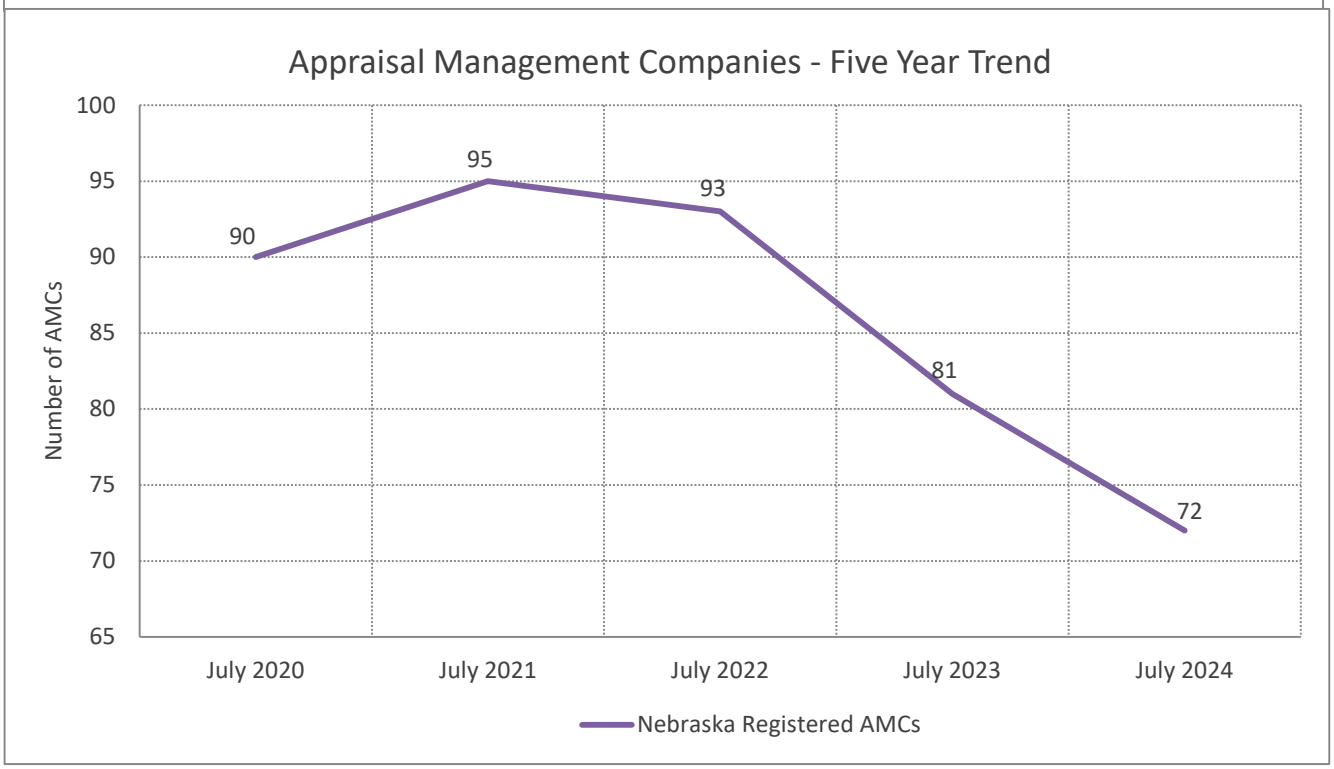
# Supervisory Real Property Appraiser Report



# Appraisal Management Company Report



# NEBRASKA REAL PROPERTY APPRAISER BOARD

## DIRECTOR APPROVAL OF EDUCATION ACTIVITY AND INSTRUCTOR(S) APPLICANTS

June 8, 2024 – July 9, 2024

| Provider | Activity Number | Hours | Title | Instructor(s) | Approval Date |
|---|---|---|---|---|---|
| *New Continuing Education Activities and Instructors* | | | | | |
| Appraisal Institute | 2242462.02 | 5 | Online – The Discounted Cash Flow Model: Concepts, Issues, and Applications | Kenneth Lusht | 7/2/2024 |
| *New Qualifying Education Activities and Instructors* | | | | | |
| Appraisal Institute | 1243459.02 | 30 | General Appraiser Income Approach/ Part 1 – Synchronous | Kenneth Foltz | 6/26/2024 |
| Appraisal Institute | 1241460.02 | 23 | Litigation Appraising: Specialized Topics and Applications [22.50] | John Underwood | 6/26/2024 |
| Appraisal Institute | 1243461.02 | 33 | Review Theory – General Synchronous | Robert Moorman | 7/2/2024 |

## 2024-25 Nebraska Real Property Appraiser Board Goals and Objectives
## June 13, 2024 Strategic Planning Meeting

| | SHORT TERM GOALS / OBJECTIVES | EXPECTED COMPLETION DATE | STATUS/GOAL MET | LONG TERM GOALS / OBJECTIVES | EXPECTED COMPLETION DATE | NOTES |
|---|---|---|---|---|---|---|
| **LAWS, RULES, AND GUIDANCE DOCUMENTS** | Work with the Banking, Commerce and Insurance Legislative Committee's Legal Counsel to draft a bill for introduction to add language to the Real Property Appraiser Act, and the Appraisal Management Company Registration Act, allowing the use of a conditional dismissal in lieu of disciplinary action. | 12/31/2024 | | Address changes to USPAP, Real Property Appraiser Qualifications Criteria, ASC Policy Statements, AQB CAP Program Guidelines, and Title XI as required. | Ongoing. | |
| | Adopt Title 298 changes to harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act in 2024, address the Board's PAVE Dashboard regulations review, add fee schedule, and incorporate changes made to the Real Property Appraiser Qualification Criteria Effective January 1, 2026 and CAP Guidelines effective September 17, 2023. | 6/30/2025 | | Harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act as needed. | Ongoing. | |
| | | | | Continue to monitor the effectiveness of regulations to reduce unnecessary regulatory burden, remove barriers to entry into the real property appraiser profession, maintain an effective education program, and provide for better clarification and administration. | Ongoing. | |
| | | | | Continue to adopt Guidance Documents for public advisement concerning interpretation of statutes and rules, and retire Guidance Documents that are no longer relevant. | Ongoing. | |
| | | | | Continue to adopt internal procedures as needed to assist with the Board's administration of its programs, and retire internal procedures that are no longer relevant. | Ongoing. | |
| **COMPLIANCE** | Obtain second special assistant attorney general for compliance matters. | 1/1/2025 | | None. | | |
| **CREDENTIALING** | None. | | | Explore opportunities to increase the number of Nebraska resident real property appraisers. | Ongoing. | |
| | | | | Monitor real property appraiser credential renewal dates. | Ongoing. | |
| **EDUCATION** | None. | | | Encourage trainee real property appraisers who intend to engage in real property appraisal practice pertaining to agricultural real property upon credentialing as a certified general real property appraiser complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal in approval letter sent to trainee real property appraisers. | Ongoing. | |
| | | | | Request that supervisory real property appraisers with trainee real property appraisers who intend to engage in real property appraisal practice pertaining to agricultural real property upon credentialing as a certified general real property appraiser encourage their trainee real property appraisers to complete agricultural-based qualifying education offered by an education provider with an expertise in agricultural appraisal in approval letter sent to supervisory real property appraisers. | Ongoing. | |
| **PERSONNEL** | None. | | | Continue updating the policies and procedures documents as needed to ensure compliance with state policy changes, NAPE/ASFCME contract changes and to address general work environment needs and/or changes. | Ongoing. | |
| **PUBLIC INFORMATION** | None. | | | Encourage development of Memos from the Board and Facebook posts that contain facts of interest to the appraiser community. | Ongoing. | |
| | | | | Continue utilizing the NRPAB website, NRPAB Facebook page, The Nebraska Appraiser, and Memos from the Board to disseminate relevant and important information to the appraisal business community and the general public in a timely manner. This includes information related to state and federal regulations, credentialing and registration requirements, renewal information, education information, Board policies and procedures, documents posted to the NRPAB website, meeting information, and other information that affects the industry. | Ongoing. | |
| | | | | Continue utilization of Memos from the Board to disseminate important information in a timely manner that should not be held for the next release of The Nebraska Appraiser. | Ongoing. | |
| | | | | Continue releasing new issues of The Nebraska Appraiser on a quarterly basis to disseminate important information to the appraisal business community and the general public in an effective and efficient manner. | Ongoing. | |
| | | | | Continue utilization of the NRPAB Facebook page to disseminate important information in a timely manner that that appraisal business community and general public would otherwise not be aware of, such as documents posted to the NRPAB website, meeting information, and NRPAB policy and business information. | Ongoing. | |
| | | | | Continue to monitor the effectiveness of current NRPAB website, and repair bugs and make improvements and add enhancements needed to address functionality or use. | Ongoing. | |
| | | | | Explore the development and implementation of an updated NRPAB logo. | None. | |
| | | | | Populate the Disciplinary History Search with all real property appraiser and AMC disciplinary action history for active credential and registration holders. | None. | |
| **ADMINISTRATION** | Explore credit card payment option for online applications. | 6/30/2025 | | Continue to monitor the effectiveness of current processes and procedures, and update processes and procedures as needed to maintain effectiveness and efficiency of the administration of the Board's programs. | Ongoing. | |
| | Explore use of Federal grant money for development of online temporary real property appraiser credential application and NRPAB Database interface. | 6/30/2025 | | Continue to monitor the effectiveness of current NRPAB database, repair bugs, and make improvements and add enhancements needed to address program or use changes. | Ongoing. | |
| | | | | Explore online real property appraiser initial applications (Reciprocity and E,E,&E), AMC initial applications, education activity applications, and other services that require payment of a fee. | None. | |
| **FINANCIALS** | Complete 2025-27 Biennial Budget Request addressing agency issues discussed at strategic planning. | 10/1/2024 | | None. | | |

| 2024-25 NRPAB SWOT Analysis | | | |
|---|---|---|---|
| **STRENGTHS:** - | **WEAKNESSES:** | **OPPORTUNITIES:** | **THREATS:** |
| * Customer service | * Industry's inability to grow | * Growth in real property appraiser field | * Agency turnover |
| * Organization | * Efficiency loss due to database not meeting potential | * Continued evaluation of Board and Agency operations | * Federal agency oversight |
| * Board member knowledge | * Regulatory and statutory barriers | * Embrace of available technology | * Economic climate |
| * Staff knowledge | * Difficulty obtaining new board members | * Agency staff size and cross-training of Agency duties | * Aging appraiser population |
| * Adaptability | | * Board member with residential appraisal expertise | * Inadequate supervisory appraiser knowledge |
| * Professional diversity of Board | | * Authority for non-disciplinary conditional dismissals | * Deemphasis on appraisals at the Federal level |
| * Modernization of accessability | | * Utilization of ASC grant funding for technology projects | * Commodification of appraisal reports |
| | | * Education of users of appraisal reports | * Business consolidation |
| | | | * Government consolidation |

Agency 053 REAL PROPERTY APPRAISER BD
Division 000 Real Property App Bd
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.27

| ACCOUNT CODE | DESCRIPTION | BUDGETED AMOUNT | CURRENT MONTH ACTIVITY | YEAR-TO-DATE ACTUALS | PERCENT OF BUDGET | ENCUMBERANCES | VARIANCE |
|---|---|---|---|---|---|---|---|
| **BUDGETED FUND TYPES - EXPENDITURES** | | | | | | | |
| **510000** | **PERSONAL SERVICES** | | | | | | |
| 511100 | PERMANENT SALARIES-WAGES | 182,321.14 | 14,057.53 | 176,403.71 | 96.75 | | 5,917.43 |
| 511300 | OVERTIME PAYMENTS | 3,525.00 | | 3,522.82 | 99.94 | | 2.18 |
| 511600 | PER DIEM PAYMENTS | 7,700.00 | 500.00 | 6,400.00 | 83.12 | | 1,300.00 |
| 511700 | EMPLOYEE BONUSES | 2,000.00 | 2,000.00 | 2,000.00 | 100.00 | | |
| 512100 | VACATION LEAVE EXPENSE | 10,803.24 | 1,742.50 | 12,204.09 | 112.97 | | 1,400.85- |
| 512200 | SICK LEAVE EXPENSE | 1,042.06 | 153.54 | 1,181.72 | 113.40 | | 139.66- |
| 512300 | HOLIDAY LEAVE EXPENSE | 10,403.51 | 839.66 | 9,908.10 | 95.24 | | 495.41 |
| **Personal Services Subtotal** | | 217,794.95 | 19,293.23 | 211,620.44 | 97.16 | 0.00 | 6,174.51 |
| 515100 | RETIREMENT PLANS EXPENSE | 15,606.08 | 1,257.50 | 15,217.25 | 97.51 | | 388.83 |
| 515200 | FICA EXPENSE | 16,479.44 | 1,333.40 | 14,834.59 | 90.02 | | 1,644.85 |
| 515500 | HEALTH INSURANCE EXPENSE | 43,891.00 | 4,786.02 | 43,891.16 | 100.00 | | .16- |
| 516500 | WORKERS COMP PREMIUMS | 1,546.00 | | 1,546.00 | 100.00 | | |
| **Major Account 510000 Total** | | 295,317.47 | 26,670.15 | 287,109.44 | 97.22 | 0.00 | 8,208.03 |
| **520000** | **OPERATING EXPENSES** | | | | | | |
| 521100 | POSTAGE EXPENSE | 2,752.30 | 157.86 | 2,545.59 | 92.49 | | 206.71 |
| 521400 | DATA PROCESSING EXPENSE | 37,771.41 | 958.81 | 25,772.28 | 68.23 | | 11,999.13 |
| 521500 | PUBLICATION & PRINT EXPENSE | 3,269.07 | | 1,333.01 | 40.78 | | 1,936.06 |
| 521900 | AWARDS EXPENSE | 50.00 | | 28.00 | 56.00 | | 22.00 |
| 522100 | DUES & SUBSCRIPTION EXPENSE | 600.00 | | 600.00 | 100.00 | | |
| 522200 | CONFERENCE REGISTRATION | 1,100.00 | | 1,200.00 | 109.09 | | 100.00- |
| 524600 | RENT EXPENSE-BUILDINGS | 12,864.13 | 1,064.01 | 12,803.00 | 99.52 | | 61.13 |
| 524900 | RENT EXP-DUPR SURCHARGE | 4,187.00 | 348.91 | 4,186.92 | 100.00 | | .08 |
| 531100 | OFFICE SUPPLIES EXPENSE | 3,802.67 | 100.79 | 3,632.06 | 95.51 | | 170.61 |
| 532100 | NON CAPITALIZED EQUIP PU | 4,032.00 | | 2,201.70 | 54.61 | | 1,830.30 |
| 532260 | VOICE EQUIP | 232.00 | | 229.33 | 98.85 | | 2.67 |
| 533100 | HOUSEHOLD & INSTIT EXP | 10.00 | | 9.51 | 95.10 | | .49 |
| 539500 | PURCHASING CARD SUSPENSE | | 196.00- | | | | |
| 541100 | ACCTG & AUDITING SERVICES | 1,128.00 | | 1,128.00 | 100.00 | | |
| 541200 | PURCHASING ASSESSMENT | 39.00 | | 39.00 | 100.00 | | |
| 541500 | LEGAL SERVICES EXPENSE | 20,000.00 | | 1,189.00 | 5.95 | | 18,811.00 |
| 541700 | LEGAL RELATED EXPENSE | 3,000.00 | | 1.00 | .03 | | 2,999.00 |

Agency 053 REAL PROPERTY APPRAISER BD
Division 000 Real Property App Bd
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.27

| | ACCOUNT CODE DESCRIPTION | BUDGETED AMOUNT | CURRENT MONTH ACTIVITY | YEAR-TO-DATE ACTUALS | PERCENT OF BUDGET | ENCUMBERANCES | VARIANCE |
|---|---|---|---|---|---|---|---|
| 542100 | SOS TEMP SERV-PERSONNEL | 4,668.00 | | 4,666.66 | 99.97 | | 1.34 |
| 554900 | OTHER CONTRACTUAL SERVICE | 32,983.75 | 1,191.75 | 21,203.61 | 64.29 | | 11,780.14 |
| 556100 | INSURANCE EXPENSE | 49.00 | | 52.51 | 107.16 | | 3.51- |
| 559100 | OTHER OPERATING EXP | 11,468.00 | | 200.00 | 1.74 | | 11,268.00 |
| **Major Account 520000 Total** | | 144,006.33 | 3,626.13 | 83,021.18 | 57.65 | 0.00 | 60,985.15 |
| **570000 TRAVEL EXPENSES** | | | | | | | |
| 571100 | BOARD & LODGING | 4,196.00 | 517.00 | 3,459.82 | 82.46 | | 736.18 |
| 571800 | MEALS - TRAVEL STATUS | 1,661.96 | 61.96 | 1,309.17 | 78.77 | | 352.79 |
| 572100 | COMMERCIAL TRANSPORTATION | 1,700.00 | | | | | 1,700.00 |
| 573100 | STATE-OWNED TRANSPORT | 200.00 | | | | | 200.00 |
| 574500 | PERSONAL VEHICLE MILEAGE | 6,565.54 | 308.20 | 6,763.67 | 103.02 | | 198.13- |
| 575100 | MISC TRAVEL EXPENSES | 565.50 | | 209.55 | 37.06 | | 355.95 |
| **Major Account 570000 Total** | | 14,889.00 | 887.16 | 11,742.21 | 78.87 | 0.00 | 3,146.79 |
| **BUDGETED EXPENDITURES TOTAL** | | 454,212.80 | 31,183.44 | 381,872.83 | 84.07 | 0.00 | 72,339.97 |
| **SUMMARY BY FUND TYPE - EXPENDITURES** | | | | | | | |
| 2 | CASH FUNDS | 454,212.80 | 31,183.44 | 381,872.83 | 84.07 | | 72,339.97 |
| **BUDGETED EXPENDITURES TOTAL** | | 454,212.80 | 31,183.44 | 381,872.83 | 84.07 | 0.00 | 72,339.97 |
| **BUDGETED FUND TYPES - REVENUES** | | | | | | | |
| **470000 REVENUE - SALES AND CHARGES** | | | | | | | |
| 471100 | SALE OF SERVICES | 425.00- | 50.00- | 475.00- | 111.76 | | 50.00 |
| 471120 | QUALIFYING ED COURSE FEES | 750.00- | 450.00- | 1,725.00- | 230.00 | | 975.00 |
| 471121 | CONTINUING ED NEW FEES | 3,000.00- | 200.00- | 2,350.00- | 78.33 | | 650.00- |
| 471122 | CONTINUING ED RENEWAL FEES | 200.00- | 30.00- | 160.00- | 80.00 | | 40.00- |
| 475150 | CERTIFIED GENERAL NEW FEES | 10,200.00- | 600.00- | 9,000.00- | 88.24 | | 1,200.00- |
| 475151 | LICENSED NEW FEES | 1,200.00- | | 300.00- | 25.00 | | 900.00- |
| 475152 | FINGERPRINT FEES | 3,574.75- | 45.25- | 2,217.25- | 62.03 | | 1,357.50- |
| 475153 | CERTIFIED RESIDENTIAL NEW | 2,700.00- | | 2,400.00- | 88.89 | | 300.00- |
| 475154 | CERTIFIED GENERAL RENEWAL | 94,875.00- | 550.00- | 99,275.00- | 104.64 | | 4,400.00 |
| 475155 | LICENSED RENEWAL | 10,175.00- | | 9,900.00- | 97.30 | | 275.00- |
| 475156 | FINGERPRINT AUDIT PROGRAM FEES | 3,380.00- | 10.00- | 3,340.00- | 98.82 | | 40.00- |

Agency 053 REAL PROPERTY APPRAISER BD
Division 000 Real Property App Bd
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.27

| | ACCOUNT CODE DESCRIPTION | BUDGETED AMOUNT | CURRENT MONTH ACTIVITY | YEAR-TO-DATE ACTUALS | PERCENT OF BUDGET | ENCUMBERANCES | VARIANCE |
|---|---|---|---|---|---|---|---|
| 475157 | CERTIFIED RESIDENTIAL RENEWAL | 56,100.00- | | 54,175.00- | 96.57 | | 1,925.00- |
| 475161 | TEMPORARY CERTIFIED GENERAL | 9,000.00- | 550.00- | 8,200.00- | 91.11 | | 800.00- |
| 475163 | AMC REGISTERED NEW FEES | 4,000.00- | | 4,000.00- | 100.00 | | |
| 475164 | AMC APPLICATION FEES | 700.00- | | 700.00- | 100.00 | | |
| 475165 | AMC REGISTERED RENEWAL | 114,000.00- | 4,500.00- | 105,000.00- | 92.11 | | 9,000.00- |
| 475166 | FED REG AMC RPT FORM PROC FEES | 350.00- | 350.00- | 700.00- | 200.00 | | 350.00 |
| 475167 | CERTIFIED RESIDENTIAL INACTIVE | 300.00- | | | | | 300.00- |
| 475168 | CERTIFIED GENERAL INACTIVE | 300.00- | | | | | 300.00- |
| 475234 | APPLICATION FEES | 29,850.00- | 1,250.00- | 23,750.00- | 79.56 | | 6,100.00- |
| 476101 | LATE PROCESSING FEES | 3,500.00- | 375.00- | 4,125.00- | 117.86 | | 625.00 |
| **Major Account 470000 Total** | | 348,579.75- | 8,960.25- | 331,792.25- | 95.18 | 0.00 | 16,787.50- |
| **480000 REVENUE - MISCELLANEOUS** | | | | | | | |
| 481100 | INVESTMENT INCOME | 16,000.00- | 1,872.75- | 19,952.33- | 124.70 | | 3,952.33 |
| 484500 | REIMB NON-GOVT SOURCES | 1,000.00- | | 3,702.59- | 370.26 | | 2,702.59 |
| **Major Account 480000 Total** | | 17,000.00- | 1,872.75- | 23,654.92- | 139.15 | 0.00 | 6,654.92 |
| **490000 REVENUE - OTHER FINANCIAL SOURCES/U** | | | | | | | |
| 491300 | SALE - SURP PROP/FIXED ASSET | | | 63.48- | | | 63.48 |
| **Major Account 490000 Total** | | 0.00 | 0.00 | 63.48- | 0.00 | 0.00 | 63.48 |
| **BUDGETED REVENUE TOTAL** | | 365,579.75- | 10,833.00- | 355,510.65- | 97.25 | 0.00 | 10,069.10- |
| **SUMMARY BY FUND TYPE - REVENUE** | | | | | | | |
| 2 | CASH FUNDS | 365,579.75- | 10,833.00- | 355,510.65- | 97.25 | | 10,069.10- |
| **BUDGETED REVENUE TOTAL** | | 365,579.75- | 10,833.00- | 355,510.65- | 97.25 | 0.00 | 10,069.10- |

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.27

| ACCOUNT CODE | DESCRIPTION | BUDGETED AMOUNT | CURRENT MONTH ACTIVITY | YEAR-TO-DATE ACTUALS | PERCENT OF BUDGET | ENCUMBERANCES | VARIANCE |
|---|---|---|---|---|---|---|---|
| **BUDGETED FUND TYPES - EXPENDITURES** | | | | | | | |
| **510000** | **PERSONAL SERVICES** | | | | | | |
| 511100 | PERMANENT SALARIES-WAGES | 118,508.74 | 9,137.75 | 114,664.15 | 96.76 | | 3,844.59 |
| 511300 | OVERTIME PAYMENTS | 2,291.25 | | 2,289.54 | 99.93 | | 1.71 |
| 511600 | PER DIEM PAYMENTS | 5,005.00 | 325.00 | 4,160.00 | 83.12 | | 845.00 |
| 511700 | EMPLOYEE BONUSES | 1,300.00 | 1,300.00 | 1,300.00 | 100.00 | | |
| 512100 | VACATION LEAVE EXPENSE | 7,022.11 | 1,132.46 | 7,931.02 | 112.94 | | 908.91- |
| 512200 | SICK LEAVE EXPENSE | 677.34 | 99.60 | 767.80 | 113.36 | | 90.46- |
| 512300 | HOLIDAY LEAVE EXPENSE | 6,762.28 | 545.78 | 6,440.26 | 95.24 | | 322.02 |
| **Personal Services Subtotal** | | 141,566.72 | 12,540.59 | 137,552.77 | 97.16 | 0.00 | 4,013.95 |
| 515100 | RETIREMENT PLANS EXPENSE | 10,143.95 | 817.36 | 9,891.11 | 97.51 | | 252.84 |
| 515200 | FICA EXPENSE | 10,711.64 | 866.69 | 9,642.23 | 90.02 | | 1,069.41 |
| 515500 | HEALTH INSURANCE EXPENSE | 28,529.15 | 3,110.93 | 28,529.19 | 100.00 | | .04- |
| 516500 | WORKERS COMP PREMIUMS | 1,004.90 | | 1,004.90 | 100.00 | | |
| **Major Account 510000 Total** | | 191,956.36 | 17,335.57 | 186,620.20 | 97.22 | 0.00 | 5,336.16 |
| **520000** | **OPERATING EXPENSES** | | | | | | |
| 521100 | POSTAGE EXPENSE | 1,811.86 | 105.85 | 1,929.74 | 106.51 | | 117.88- |
| 521400 | DATA PROCESSING EXPENSE | 22,709.17 | 623.23 | 14,398.29 | 63.40 | | 8,310.88 |
| 521500 | PUBLICATION & PRINT EXPENSE | 2,124.90 | | 957.09 | 45.04 | | 1,167.81 |
| 521900 | AWARDS EXPENSE | 32.50 | | 18.20 | 56.00 | | 14.30 |
| 522100 | DUES & SUBSCRIPTION EXPENSE | 390.00 | | 390.00 | 100.00 | | |
| 522200 | CONFERENCE REGISTRATION | 715.00 | | 780.00 | 109.09 | | 65.00- |
| 524600 | RENT EXPENSE-BUILDINGS | 8,361.68 | 691.61 | 8,321.96 | 99.52 | | 39.72 |
| 524900 | RENT EXP-DUPR SURCHARGE | 2,721.55 | 226.79 | 2,721.48 | 100.00 | | .07 |
| 531100 | OFFICE SUPPLIES EXPENSE | 3,018.44 | 65.51 | 3,367.23 | 111.56 | | 348.79- |
| 532100 | NON CAPITALIZED EQUIP PU | 2,620.80 | | 1,431.11 | 54.61 | | 1,189.69 |
| 532260 | VOICE EQUIP | 150.80 | | 149.07 | 98.85 | | 1.73 |
| 533100 | HOUSEHOLD & INSTIT EXP | 6.50 | | 6.18 | 95.08 | | .32 |
| 539500 | PURCHASING CARD SUSPENSE | | 196.00- | | | | |
| 541100 | ACCTG & AUDITING SERVICES | 733.20 | | 733.20 | 100.00 | | |
| 541200 | PURCHASING ASSESSMENT | 25.35 | | 25.35 | 100.00 | | |
| 541500 | LEGAL SERVICES EXPENSE | 18,000.00 | | 1,189.00 | 6.61 | | 16,811.00 |
| 541700 | LEGAL RELATED EXPENSE | 2,700.00 | | 1.00 | .04 | | 2,699.00 |

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.27

| | ACCOUNT CODE DESCRIPTION | BUDGETED AMOUNT | CURRENT MONTH ACTIVITY | YEAR-TO-DATE ACTUALS | PERCENT OF BUDGET | ENCUMBERANCES | VARIANCE |
|---|---|---|---|---|---|---|---|
| 542100 | SOS TEMP SERV-PERSONNEL | 3,034.20 | | 3,033.33 | 99.97 | | .87 |
| 554900 | OTHER CONTRACTUAL SERVICE | 31,018.50 | 1,146.50 | 19,611.84 | 63.23 | | 11,406.66 |
| 556100 | INSURANCE EXPENSE | 31.85 | | 34.14 | 107.19 | | 2.29- |
| 559100 | OTHER OPERATING EXP | 7,454.20 | | 160.00 | 2.15 | | 7,294.20 |
| **Major Account 520000 Total** | | 107,660.50 | 2,663.49 | 59,258.21 | 55.04 | 0.00 | 48,402.29 |
| **570000 TRAVEL EXPENSES** | | | | | | | |
| 571100 | BOARD & LODGING | 2,727.40 | 336.05 | 2,569.60 | 94.21 | | 157.80 |
| 571800 | MEALS - TRAVEL STATUS | 1,080.27 | 40.27 | 910.68 | 84.30 | | 169.59 |
| 572100 | COMMERCIAL TRANSPORTATION | 1,105.00 | | | | | 1,105.00 |
| 573100 | STATE-OWNED TRANSPORT | 130.00 | | | | | 130.00 |
| 574500 | PERSONAL VEHICLE MILEAGE | 4,267.60 | 200.33 | 4,643.99 | 108.82 | | 376.39- |
| 575100 | MISC TRAVEL EXPENSES | 367.58 | | 136.21 | 37.06 | | 231.37 |
| **Major Account 570000 Total** | | 9,677.85 | 576.65 | 8,260.48 | 85.35 | 0.00 | 1,417.37 |
| **BUDGETED EXPENDITURES TOTAL** | | 309,294.71 | 20,575.71 | 254,138.89 | 82.17 | 0.00 | 55,155.82 |
| **SUMMARY BY FUND TYPE - EXPENDITURES** | | | | | | | |
| 2 | CASH FUNDS | 309,294.71 | 20,575.71 | 254,138.89 | 82.17 | | 55,155.82 |
| **BUDGETED EXPENDITURES TOTAL** | | 309,294.71 | 20,575.71 | 254,138.89 | 82.17 | 0.00 | 55,155.82 |
| **BUDGETED FUND TYPES - REVENUES** | | | | | | | |
| **470000 REVENUE - SALES AND CHARGES** | | | | | | | |
| 471100 | SALE OF SERVICES | 425.00- | 50.00- | 475.00- | 111.76 | | 50.00 |
| 471120 | QUALIFYING ED COURSE FEES | 750.00- | 450.00- | 1,725.00- | 230.00 | | 975.00 |
| 471121 | CONTINUING ED NEW FEES | 3,000.00- | 200.00- | 2,350.00- | 78.33 | | 650.00- |
| 471122 | CONTINUING ED RENEWAL FEES | 200.00- | 30.00- | 160.00- | 80.00 | | 40.00- |
| 475150 | CERTIFIED GENERAL NEW FEES | 10,200.00- | 600.00- | 9,000.00- | 88.24 | | 1,200.00- |
| 475151 | LICENSED NEW FEES | 1,200.00- | | 300.00- | 25.00 | | 900.00- |
| 475152 | FINGERPRINT FEES | 3,574.75- | 45.25- | 2,217.25- | 62.03 | | 1,357.50- |
| 475153 | CERTIFIED RESIDENTIAL NEW | 2,700.00- | | 2,400.00- | 88.89 | | 300.00- |
| 475154 | CERTIFIED GENERAL RENEWAL | 94,875.00- | 550.00- | 99,275.00- | 104.64 | | 4,400.00 |
| 475155 | LICENSED RENEWAL | 10,175.00- | | 9,900.00- | 97.30 | | 275.00- |
| 475156 | FINGERPRINT AUDIT PROGRAM FEES | 3,380.00- | 10.00- | 3,340.00- | 98.82 | | 40.00- |

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.27

| | ACCOUNT CODE DESCRIPTION | BUDGETED AMOUNT | CURRENT MONTH ACTIVITY | YEAR-TO-DATE ACTUALS | PERCENT OF BUDGET | ENCUMBERANCES | VARIANCE |
|---|---|---|---|---|---|---|---|
| 475157 | CERTIFIED RESIDENTIAL RENEWAL | 56,100.00- | | 54,175.00- | 96.57 | | 1,925.00- |
| 475161 | TEMPORARY CERTIFIED GENERAL | 9,000.00- | 550.00- | 8,200.00- | 91.11 | | 800.00- |
| 475167 | CERTIFIED RESIDENTIAL INACTIVE | 300.00- | | | | | 300.00- |
| 475168 | CERTIFIED GENERAL INACTIVE | 300.00- | | | | | 300.00- |
| 475234 | APPLICATION FEES | 29,850.00- | 1,250.00- | 23,750.00- | 79.56 | | 6,100.00- |
| 476101 | LATE PROCESSING FEES | 3,000.00- | 350.00- | 3,850.00- | 128.33 | | 850.00 |
| **Major Account 470000 Total** | | 229,029.75- | 4,085.25- | 221,117.25- | 96.55 | 0.00 | 7,912.50- |
| **480000 REVENUE - MISCELLANEOUS** | | | | | | | |
| 481100 | INVESTMENT INCOME | 8,500.00- | 1,068.69- | 11,365.44- | 133.71 | | 2,865.44 |
| 484500 | REIMB NON-GOVT SOURCES | 500.00- | | 3,644.17- | 728.83 | | 3,144.17 |
| **Major Account 480000 Total** | | 9,000.00- | 1,068.69- | 15,009.61- | 166.77 | 0.00 | 6,009.61 |
| **490000 REVENUE - OTHER FINANCIAL SOURCES/U** | | | | | | | |
| 491300 | SALE - SURP PROP/FIXED ASSET | | | 41.27- | | | 41.27 |
| **Major Account 490000 Total** | | 0.00 | 0.00 | 41.27- | 0.00 | 0.00 | 41.27 |
| **BUDGETED REVENUE TOTAL** | | 238,029.75- | 5,153.94- | 236,168.13- | 99.22 | 0.00 | 1,861.62- |

**SUMMARY BY FUND TYPE - REVENUE**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2 | CASH FUNDS | 238,029.75- | 5,153.94- | 236,168.13- | 99.22 | | 1,861.62- |
| **BUDGETED REVENUE TOTAL** | | 238,029.75- | 5,153.94- | 236,168.13- | 99.22 | 0.00 | 1,861.62- |

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.27

| ACCOUNT CODE | DESCRIPTION | BUDGETED AMOUNT | CURRENT MONTH ACTIVITY | YEAR-TO-DATE ACTUALS | PERCENT OF BUDGET | ENCUMBERANCES | VARIANCE |
|---|---|---|---|---|---|---|---|
| **BUDGETED FUND TYPES - EXPENDITURES** | | | | | | | |
| **510000** | **PERSONAL SERVICES** | | | | | | |
| 511100 | PERMANENT SALARIES-WAGES | 63,812.40 | 4,919.78 | 61,739.56 | 96.75 | | 2,072.84 |
| 511300 | OVERTIME PAYMENTS | 1,233.75 | | 1,233.28 | 99.96 | | .47 |
| 511600 | PER DIEM PAYMENTS | 2,695.00 | 175.00 | 2,240.00 | 83.12 | | 455.00 |
| 511700 | EMPLOYEE BONUSES | 700.00 | 700.00 | 700.00 | 100.00 | | |
| 512100 | VACATION LEAVE EXPENSE | 3,781.13 | 610.04 | 4,273.07 | 113.01 | | 491.94- |
| 512200 | SICK LEAVE EXPENSE | 364.72 | 53.94 | 413.92 | 113.49 | | 49.20- |
| 512300 | HOLIDAY LEAVE EXPENSE | 3,641.23 | 293.88 | 3,467.84 | 95.24 | | 173.39 |
| **Personal Services Subtotal** | | 76,228.23 | 6,752.64 | 74,067.67 | 97.17 | 0.00 | 2,160.56 |
| 515100 | RETIREMENT PLANS EXPENSE | 5,462.13 | 440.14 | 5,326.14 | 97.51 | | 135.99 |
| 515200 | FICA EXPENSE | 5,767.80 | 466.71 | 5,192.36 | 90.02 | | 575.44 |
| 515500 | HEALTH INSURANCE EXPENSE | 15,361.85 | 1,675.09 | 15,361.97 | 100.00 | | .12- |
| 516500 | WORKERS COMP PREMIUMS | 541.10 | | 541.10 | 100.00 | | |
| **Major Account 510000 Total** | | 103,361.11 | 9,334.58 | 100,489.24 | 97.22 | 0.00 | 2,871.87 |
| **520000** | **OPERATING EXPENSES** | | | | | | |
| 521100 | POSTAGE EXPENSE | 940.44 | 52.01 | 615.85 | 65.49 | | 324.59 |
| 521400 | DATA PROCESSING EXPENSE | 15,062.24 | 335.58 | 11,373.99 | 75.51 | | 3,688.25 |
| 521500 | PUBLICATION & PRINT EXPENSE | 1,144.17 | | 375.92 | 32.86 | | 768.25 |
| 521900 | AWARDS EXPENSE | 17.50 | | 9.80 | 56.00 | | 7.70 |
| 522100 | DUES & SUBSCRIPTION EXPENSE | 210.00 | | 210.00 | 100.00 | | |
| 522200 | CONFERENCE REGISTRATION | 385.00 | | 420.00 | 109.09 | | 35.00- |
| 524600 | RENT EXPENSE-BUILDINGS | 4,502.45 | 372.40 | 4,481.04 | 99.52 | | 21.41 |
| 524900 | RENT EXP-DUPR SURCHARGE | 1,465.45 | 122.12 | 1,465.44 | 100.00 | | .01 |
| 531100 | OFFICE SUPPLIES EXPENSE | 784.23 | 35.28 | 264.83 | 33.77 | | 519.40 |
| 532100 | NON CAPITALIZED EQUIP PU | 1,411.20 | | 770.59 | 54.61 | | 640.61 |
| 532260 | VOICE EQUIP | 81.20 | | 80.26 | 98.84 | | .94 |
| 533100 | HOUSEHOLD & INSTIT EXP | 3.50 | | 3.33 | 95.14 | | .17 |
| 541100 | ACCTG & AUDITING SERVICES | 394.80 | | 394.80 | 100.00 | | |
| 541200 | PURCHASING ASSESSMENT | 13.65 | | 13.65 | 100.00 | | |
| 541500 | LEGAL SERVICES EXPENSE | 2,000.00 | | | | | 2,000.00 |
| 541700 | LEGAL RELATED EXPENSE | 300.00 | | | | | 300.00 |
| 542100 | SOS TEMP SERV-PERSONNEL | 1,633.80 | | 1,633.33 | 99.97 | | .47 |

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.27

| | ACCOUNT CODE DESCRIPTION | BUDGETED AMOUNT | CURRENT MONTH ACTIVITY | YEAR-TO-DATE ACTUALS | PERCENT OF BUDGET | ENCUMBERANCES | VARIANCE |
|---|---|---|---|---|---|---|---|
| 554900 | OTHER CONTRACTUAL SERVICE | 1,965.25 | 45.25 | 1,591.77 | 81.00 | | 373.48 |
| 556100 | INSURANCE EXPENSE | 17.15 | | 18.37 | 107.11 | | 1.22- |
| 559100 | OTHER OPERATING EXP | 4,013.80 | | 40.00 | 1.00 | | 3,973.80 |
| **Major Account 520000 Total** | | 36,345.83 | 962.64 | 23,762.97 | 65.38 | 0.00 | 12,582.86 |
| **570000 TRAVEL EXPENSES** | | | | | | | |
| 571100 | BOARD & LODGING | 1,468.60 | 180.95 | 890.22 | 60.62 | | 578.38 |
| 571800 | MEALS - TRAVEL STATUS | 581.69 | 21.69 | 398.49 | 68.51 | | 183.20 |
| 572100 | COMMERCIAL TRANSPORTATION | 595.00 | | | | | 595.00 |
| 573100 | STATE-OWNED TRANSPORT | 70.00 | | | | | 70.00 |
| 574500 | PERSONAL VEHICLE MILEAGE | 2,297.94 | 107.87 | 2,119.68 | 92.24 | | 178.26 |
| 575100 | MISC TRAVEL EXPENSES | 197.92 | | 73.34 | 37.06 | | 124.58 |
| **Major Account 570000 Total** | | 5,211.15 | 310.51 | 3,481.73 | 66.81 | 0.00 | 1,729.42 |
| **BUDGETED EXPENDITURES TOTAL** | | 144,918.09 | 10,607.73 | 127,733.94 | 88.14 | 0.00 | 17,184.15 |
| **SUMMARY BY FUND TYPE - EXPENDITURES** | | | | | | | |
| 2 | CASH FUNDS | 144,918.09 | 10,607.73 | 127,733.94 | 88.14 | | 17,184.15 |
| **BUDGETED EXPENDITURES TOTAL** | | 144,918.09 | 10,607.73 | 127,733.94 | 88.14 | 0.00 | 17,184.15 |
| **BUDGETED FUND TYPES - REVENUES** | | | | | | | |
| **470000 REVENUE - SALES AND CHARGES** | | | | | | | |
| 475163 | AMC REGISTERED NEW FEES | 4,000.00- | | 4,000.00- | 100.00 | | |
| 475164 | AMC APPLICATION FEES | 700.00- | | 700.00- | 100.00 | | |
| 475165 | AMC REGISTERED RENEWAL | 114,000.00- | 4,500.00- | 105,000.00- | 92.11 | | 9,000.00- |
| 475166 | FED REG AMC RPT FORM PROC FEES | 350.00- | 350.00- | 700.00- | 200.00 | | 350.00 |
| 476101 | LATE PROCESSING FEES | 500.00- | 25.00- | 275.00- | 55.00 | | 225.00- |
| **Major Account 470000 Total** | | 119,550.00- | 4,875.00- | 110,675.00- | 92.58 | 0.00 | 8,875.00- |
| **480000 REVENUE - MISCELLANEOUS** | | | | | | | |
| 481100 | INVESTMENT INCOME | 7,500.00- | 804.06- | 8,586.89- | 114.49 | | 1,086.89 |
| 484500 | REIMB NON-GOVT SOURCES | 500.00- | | 58.42- | 11.68 | | 441.58- |

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.27

| ACCOUNT CODE DESCRIPTION | BUDGETED AMOUNT | CURRENT MONTH ACTIVITY | YEAR-TO-DATE ACTUALS | PERCENT OF BUDGET | ENCUMBERANCES | VARIANCE |
|---|---|---|---|---|---|---|
| **Major Account 480000 Total** | 8,000.00- | 804.06- | 8,645.31- | 108.07 | 0.00 | 645.31 |
| **490000 REVENUE - OTHER FINANCIAL SOURCES/U** | | | | | | |
| 491300 SALE - SURP PROP/FIXED ASSET | | | 22.21- | | | 22.21 |
| **Major Account 490000 Total** | 0.00 | 0.00 | 22.21- | 0.00 | 0.00 | 22.21 |
| **BUDGETED REVENUE TOTAL** | 127,550.00- | 5,679.06- | 119,342.52- | 93.57 | 0.00 | 8,207.48- |
| **SUMMARY BY FUND TYPE - REVENUE** | | | | | | |
| 2 CASH FUNDS | 127,550.00- | 5,679.06- | 119,342.52- | 93.57 | | 8,207.48- |
| **BUDGETED REVENUE TOTAL** | 127,550.00- | 5,679.06- | 119,342.52- | 93.57 | 0.00 | 8,207.48- |

Agency 053 REAL PROPERTY APPRAISER BD
Division 000 AGENCY DEFINED DIVISION
Grant

All Objects
As of 06/30/24

| Fund | Program | Sub-Program | Account Number | Sub-ledger | Doc Number | Tran Date | Tran Type | Batch Type | Payee/Explanation | Batch Number | Posted Code | Month to Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25310 | 079 | 000 | 53105018.471100. | | 564297 | 06/04/24 | RC | RB | NRPAB DEPOSIT 240604 | 7500911 | | 25.00- |
| 25310 | 079 | 000 | 53105018.471100. | | 566828 | 06/18/24 | RC | RB | NRPAB DEPOSIT 240618 | 7516195 | | 25.00- |
| Total for Object | | | 471100 SALE OF SERVICES | | | | | | | | | 50.00- |
| 25310 | 079 | 000 | 53105018.471120. | | 565475 | 06/11/24 | RC | RB | NRPAB DEPOSIT 240611 | 7508851 | | 150.00- |
| 25310 | 079 | 000 | 53105018.471120. | | 566828 | 06/18/24 | RC | RB | NRPAB DEPOSIT 240618 | 7516195 | | 300.00- |
| Total for Object | | | 471120 QUALIFYING ED COURSE FEES | | | | | | | | | 450.00- |
| 25310 | 079 | 000 | 53105018.471121. | | 565475 | 06/11/24 | RC | RB | NRPAB DEPOSIT 240611 | 7508851 | | 25.00- |
| 25310 | 079 | 000 | 53105018.471121. | | 566828 | 06/18/24 | RC | RB | NRPAB DEPOSIT 240618 | 7516195 | | 125.00- |
| 25310 | 079 | 000 | 53105018.471121. | | 567918 | 06/25/24 | RC | RB | NRPAB DEPOSIT 240625 | 7523148 | | 50.00- |
| Total for Object | | | 471121 CONTINUING ED NEW FEES | | | | | | | | | 200.00- |
| 25310 | 079 | 000 | 53105018.471122. | | 565475 | 06/11/24 | RC | RB | NRPAB DEPOSIT 240611 | 7508851 | | 10.00- |
| 25310 | 079 | 000 | 53105018.471122. | | 566828 | 06/18/24 | RC | RB | NRPAB DEPOSIT 240618 | 7516195 | | 20.00- |
| Total for Object | | | 471122 CONTINUING ED RENEWAL FEES | | | | | | | | | 30.00- |
| 25310 | 079 | 000 | 53105018.475150. | | 565474 | 06/11/24 | RC | RB | NRPAB DEPOSIT 240611A | 7508990 | | 300.00- |
| 25310 | 079 | 000 | 53105018.475150. | | 567918 | 06/25/24 | RC | RB | NRPAB DEPOSIT 240625 | 7523148 | | 300.00- |
| Total for Object | | | 475150 CERTIFIED GENERAL NEW FEES | | | | | | | | | 600.00- |
| 25310 | 079 | 000 | 53105018.475152. | | 567422 | 06/21/24 | RC | RB | NRPAB DEPOSIT 240621 | 7521136 | | 45.25- |
| Total for Object | | | 475152 FINGERPRINT FEES | | | | | | | | | 45.25- |
| 25310 | 079 | 000 | 53105018.475154. | | 566830 | 06/18/24 | RC | RB | NRPAB APP REN DEPOSIT 240618 | 7517219 | | 275.00- |
| 25310 | 079 | 000 | 53105018.475154. | | 568647 | 06/26/24 | RC | RB | NRPAB APP REN EFW DEP 240626 | 7526599 | | 275.00- |
| Total for Object | | | 475154 CERTIFIED GENERAL RENEWAL | | | | | | | | | 550.00- |
| 25310 | 079 | 000 | 53105018.475156. | | 566830 | 06/18/24 | RC | RB | NRPAB APP REN DEPOSIT 240618 | 7517219 | | 5.00- |
| 25310 | 079 | 000 | 53105018.475156. | | 568647 | 06/26/24 | RC | RB | NRPAB APP REN EFW DEP 240626 | 7526599 | | 5.00- |
| Total for Object | | | 475156 FINGERPRINT AUDIT PROGRAM FEES | | | | | | | | | 10.00- |
| 25310 | 079 | 000 | 53105018.475161. | | 564297 | 06/04/24 | RC | RB | NRPAB DEPOSIT 240604 | 7500911 | | 50.00- |
| 25310 | 079 | 000 | 53105018.475161. | | 564565 | 06/05/24 | RC | RB | NRPAB DEPOSIT 240605 | 7503471 | | 50.00- |
| 25310 | 079 | 000 | 53105018.475161. | | 565475 | 06/11/24 | RC | RB | NRPAB DEPOSIT 240611 | 7508851 | | 50.00- |
| 25310 | 079 | 000 | 53105018.475161. | | 565818 | 06/13/24 | RC | RB | NRPAB DEPOSIT 240613 | 7512043 | | 150.00- |
| 25310 | 079 | 000 | 53105018.475161. | | 566828 | 06/18/24 | RC | RB | NRPAB DEPOSIT 240618 | 7516195 | | 50.00- |
| 25310 | 079 | 000 | 53105018.475161. | | 567422 | 06/21/24 | RC | RB | NRPAB DEPOSIT 240621 | 7521136 | | 100.00- |
| 25310 | 079 | 000 | 53105018.475161. | | 567918 | 06/25/24 | RC | RB | NRPAB DEPOSIT 240625 | 7523148 | | 100.00- |

| Fund | Program | Sub-Program | Account Number | Sub-ledger | Doc Number | Tran Date | Tran Type | Batch Type | Payee/Explanation | Batch Number | Posted Code | Month to Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25310 | 079 | 000 | 53105018.475161. | | 568310 | 06/26/24 | RC | RB | NRPAB DEPOSIT 240626 | 7525670 | | 50.00- |
| Total for Object | | | 475161 TEMPORARY CERTIFIED GENERAL | | | | | | | | | 550.00- |
| 25310 | 079 | 000 | 53105018.475234. | | 564297 | 06/04/24 | RC | RB | NRPAB DEPOSIT 240604 | 7500911 | | 100.00- |
| 25310 | 079 | 000 | 53105018.475234. | | 564565 | 06/05/24 | RC | RB | NRPAB DEPOSIT 240605 | 7503471 | | 100.00- |
| 25310 | 079 | 000 | 53105018.475234. | | 565475 | 06/11/24 | RC | RB | NRPAB DEPOSIT 240611 | 7508851 | | 100.00- |
| 25310 | 079 | 000 | 53105018.475234. | | 565818 | 06/13/24 | RC | RB | NRPAB DEPOSIT 240613 | 7512043 | | 300.00- |
| 25310 | 079 | 000 | 53105018.475234. | | 566828 | 06/18/24 | RC | RB | NRPAB DEPOSIT 240618 | 7516195 | | 100.00- |
| 25310 | 079 | 000 | 53105018.475234. | | 567422 | 06/21/24 | RC | RB | NRPAB DEPOSIT 240621 | 7521136 | | 350.00- |
| 25310 | 079 | 000 | 53105018.475234. | | 567918 | 06/25/24 | RC | RB | NRPAB DEPOSIT 240625 | 7523148 | | 100.00- |
| 25310 | 079 | 000 | 53105018.475234. | | 568310 | 06/26/24 | RC | RB | NRPAB DEPOSIT 240626 | 7525670 | | 100.00- |
| Total for Object | | | 475234 APPLICATION FEES | | | | | | | | | 1,250.00- |
| 25310 | 079 | 000 | 53105018.476101. | | 566830 | 06/18/24 | RC | RB | NRPAB APP REN DEPOSIT 240618 | 7517219 | | 175.00- |
| 25310 | 079 | 000 | 53105018.476101. | | 568647 | 06/26/24 | RC | RB | NRPAB APP REN EFW DEP 240626 | 7526599 | | 175.00- |
| Total for Object | | | 476101 LATE PROCESSING FEES | | | | | | | | | 350.00- |
| 25310 | 079 | 000 | 53105018.481100. | | 23707558 | 06/18/24 | JE | G | OIP Apr 24 2.97684% | 7519161 | | 1,068.69- |
| Total for Object | | | 481100 INVESTMENT INCOME | | | | | | | | | 1,068.69- |
| 25310 | 079 | 000 | 53105018.511100. | | 3181916 | 06/12/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7502910 | | 3,973.71 |
| 25310 | 079 | 000 | 53105018.511100. | | 3182210 | 06/26/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7521994 | | 5,164.04 |
| Total for Object | | | 511100 PERMANENT SALARIES-WAGES | | | | | | | | | 9,137.75 |
| 25310 | 079 | 000 | 53105018.511600. | | 3182210 | 06/26/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7521994 | | 325.00 |
| Total for Object | | | 511600 PER DIEM PAYMENTS | | | | | | | | | 325.00 |
| 25310 | 079 | 000 | 53105018.511700. | | 3182210 | 06/26/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7521994 | | 1,300.00 |
| Total for Object | | | 511700 EMPLOYEE BONUSES | | | | | | | | | 1,300.00 |
| 25310 | 079 | 000 | 53105018.512100. | | 3181916 | 06/12/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7502910 | | 920.60 |
| 25310 | 079 | 000 | 53105018.512100. | | 3182210 | 06/26/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7521994 | | 211.86 |
| Total for Object | | | 512100 VACATION LEAVE EXPENSE | | | | | | | | | 1,132.46 |
| 25310 | 079 | 000 | 53105018.512200. | | 3181916 | 06/12/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7502910 | | 17.71 |
| 25310 | 079 | 000 | 53105018.512200. | | 3182210 | 06/26/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7521994 | | 81.89 |
| Total for Object | | | 512200 SICK LEAVE EXPENSE | | | | | | | | | 99.60 |
| 25310 | 079 | 000 | 53105018.512300. | | 3181916 | 06/12/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7502910 | | 545.78 |

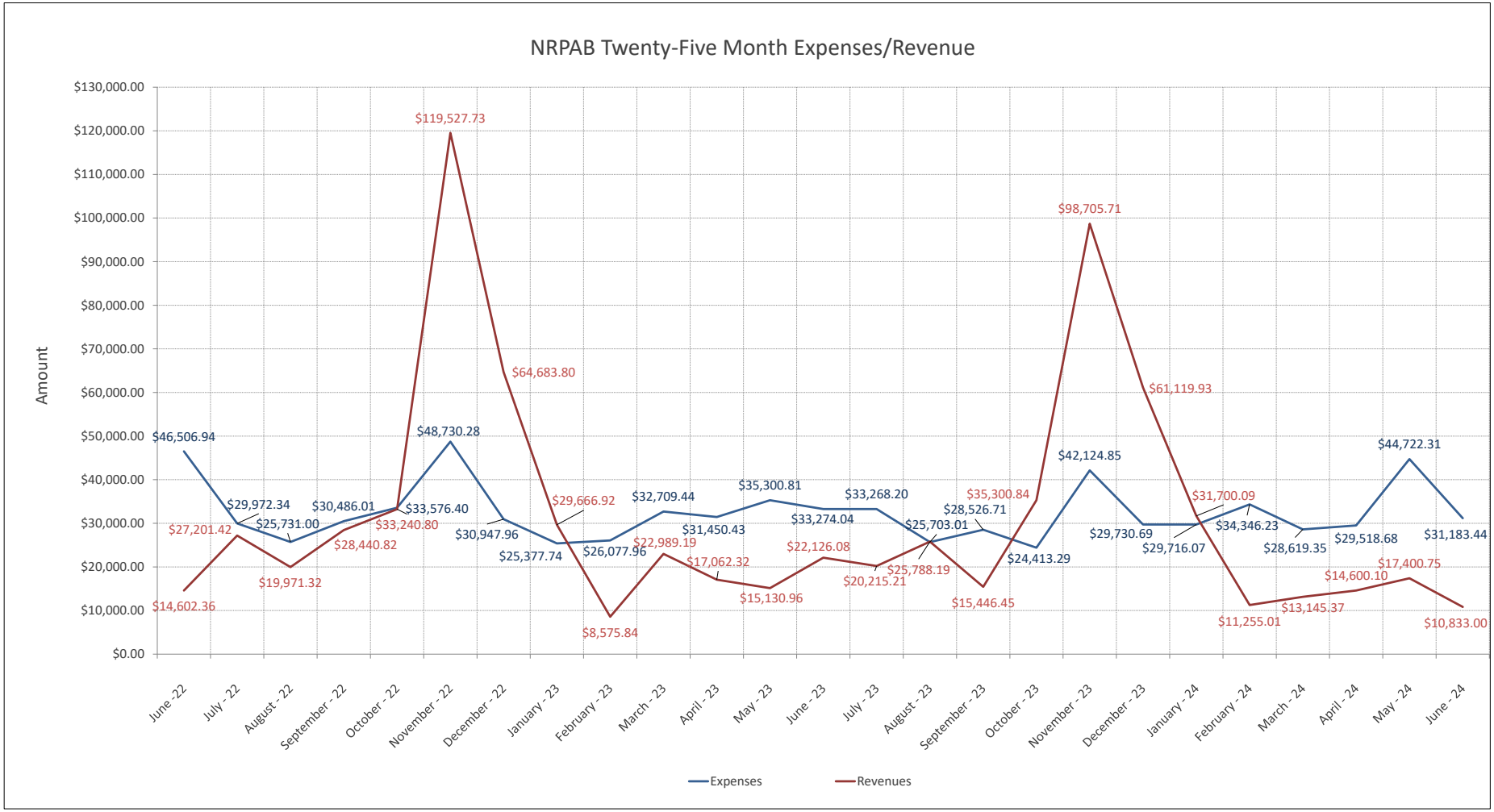
| Fund | Program | Sub-Program | Account Number | Sub-ledger | Doc Number | Tran Date | Tran Type | Batch Type | Payee/Explanation | Batch Number | Posted Code | Month to Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total for Object | | | 512300 HOLIDAY LEAVE EXPENSE | | | | | | | | | 545.78 |
| 25310 | 079 | 000 | 53105018.515100. | | 3181917 | 06/12/24 | T3 | 7 | ACTUAL BURDEN JOURNAL ENTRIES | 7502910 | | 408.70 |
| 25310 | 079 | 000 | 53105018.515100. | | 3182211 | 06/26/24 | T3 | 7 | ACTUAL BURDEN JOURNAL ENTRIES | 7521994 | | 408.66 |
| Total for Object | | | 515100 RETIREMENT PLANS EXPENSE | | | | | | | | | 817.36 |
| 25310 | 079 | 000 | 53105018.515200. | | 3181917 | 06/12/24 | T3 | 7 | ACTUAL BURDEN JOURNAL ENTRIES | 7502910 | | 371.20 |
| 25310 | 079 | 000 | 53105018.515200. | | 3182211 | 06/26/24 | T3 | 7 | ACTUAL BURDEN JOURNAL ENTRIES | 7521994 | | 495.49 |
| Total for Object | | | 515200 FICA EXPENSE | | | | | | | | | 866.69 |
| 25310 | 079 | 000 | 53105018.515500. | | 3181917 | 06/12/24 | T3 | 7 | ACTUAL BURDEN JOURNAL ENTRIES | 7502910 | | 1,555.46 |
| 25310 | 079 | 000 | 53105018.515500. | | 3182211 | 06/26/24 | T3 | 7 | ACTUAL BURDEN JOURNAL ENTRIES | 7521994 | | 1,555.47 |
| Total for Object | | | 515500 HEALTH INSURANCE EXPENSE | | | | | | | | | 3,110.93 |
| 25310 | 079 | 000 | 53105018.521100. | | 23564216 | 06/03/24 | JE | G | NRPAB POSTAGE APRIL 2024 | 7497942 | | 52.01- |
| 25310 | 079 | 000 | 53105018.521100. | | 23707605 | 06/20/24 | JE | G | POSTAGE DUE MAY 2024 | 7519990 | | 157.86 |
| Total for Object | | | 521100 POSTAGE EXPENSE | | | | | | | | | 105.85 |
| 25310 | 079 | 000 | 53105018.521400. | | 55190951 | 06/03/24 | PV | V | AS - OCIO - COMMUNICATIONS | 7494148 | | 144.05 |
| 25310 | 079 | 000 | 53105018.521400. | | 55314853 | 06/12/24 | PV | V | AS - OCIO - IMSERVICES | 7512199 | | 479.18 |
| Total for Object | | | 521400 CIO CHARGES | | | | | | | | | 623.23 |
| 25310 | 079 | 000 | 53105018.524600. | | 23514079 | 06/07/24 | JE | G | RENT & LB530 JUNE 2024 - OTHER | 7490583 | | 1,034.31 |
| 25310 | 079 | 000 | 53105018.524600. | | 23648037 | 06/11/24 | JE | G | NRPAB RENT JUNE 2024 | 7510831 | | 362.01- |
| 25310 | 079 | 000 | 53105018.524600. | | 55322956 | 06/13/24 | PV | V | SECRETARY OF STATE | 7514075 | | 19.31 |
| Total for Object | | | 524600 RENT EXPENSE-BUILDINGS | | | | | | | | | 691.61 |
| 25310 | 079 | 000 | 53105018.524900. | | 23514079 | 06/07/24 | JE | G | RENT & LB530 JUNE 2024 - OTHER | 7490583 | | 348.91 |
| 25310 | 079 | 000 | 53105018.524900. | | 23648037 | 06/11/24 | JE | G | NRPAB RENT JUNE 2024 | 7510831 | | 122.12- |
| Total for Object | | | 524900 RENT EXP-DEPR SURCHARGE | | | | | | | | | 226.79 |
| 25310 | 079 | 000 | 53105018.531100. | | 23375538 | 06/03/24 | JE | G | OFFICE DEPOT APR 2024 | 7469979 | | 100.79 |
| 25310 | 079 | 000 | 53105018.531100. | | 23619703 | 06/06/24 | JE | G | NRPAB ODP BUS SOL 4/2024 | 7505743 | | 35.28- |
| Total for Object | | | 531100 OFFICE SUPPLIES EXPENSE | | | | | | | | | 65.51 |
| 25310 | 079 | 000 | 53105018.539500. | | 23528006 | 06/01/24 | J9 | G | PURCHASE CARD TRANSACTION | 7492805 | | 196.00- |
| Total for Object | | | 539500 PURCHASING CARD SUSPENSE | | | | | | | | | 196.00- |
| 25310 | 079 | 000 | 53105018.554900. | | 55243455 | 06/03/24 | PV | V | NEBRASKA STATE PATROL | 7497925 | | 135.75 |

| Fund | Program | Sub-Program | Account Number | Sub-ledger | Doc Number | Tran Date | Tran Type | Batch Type | Payee/Explanation | Batch Number | Posted Code | Month to Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25310 | 079 | 000 | 53105018.554900. | | 55283931 | 06/06/24 | PV | V | LUHRS REAL ESTATE & APPRAISALS | 7505677 | | 875.00 |
| 25310 | 079 | 000 | 53105018.554900. | | 55306625 | 06/11/24 | PV | V | NEBRASKA STATE PATROL | 7511013 | | 135.75 |
| Total for Object | | | 554900 OTHER CONTRACTUAL SERVICES | | | | | | | | | 1,146.50 |
| 25310 | 079 | 000 | 53105018.571100. | | 23528006 | 06/01/24 | J9 | G | PURCHASE CARD TRANSACTION | 7492805 | | 127.40 |
| 25310 | 079 | 000 | 53105018.571100. | | 55267409 | 06/04/24 | PV | V | CORNHUSKER HOTEL | 7502515 | | 208.65 |
| Total for Object | | | 571100 LODGING | | | | | | | | | 336.05 |
| 25310 | 079 | 000 | 53105018.571800. | | 55243461 | 06/03/24 | PV | V | MINSHULL, DEREK | 7497947 | | 40.27 |
| Total for Object | | | 571800 MEALS - TRAVEL STATUS | | | | | | | | | 40.27 |
| 25310 | 079 | 000 | 53105018.574500. | | 55243461 | 06/03/24 | PV | V | MINSHULL, DEREK | 7497947 | | 200.33 |
| Total for Object | | | 574500 PERSONAL VEHICLE MILEAGE | | | | | | | | | 200.33 |
| Total for Business Unit | | 53105018 | NE REAL PROPERTY APPRAISER | | | | | | | | | 15,421.77 |
| 25320 | 079 | 000 | 53105200.475165. | | 564706 | 06/04/24 | RC | RB | NRPAB AMC REN EFW DEP 240604 | 7503487 | | 1,500.00- |
| 25320 | 079 | 000 | 53105200.475165. | | 565499 | 06/10/24 | RC | RB | NRPAB AMC REN EFW DEP 240610 | 7508741 | | 1,500.00- |
| 25320 | 079 | 000 | 53105200.475165. | | 567421 | 06/21/24 | RC | RB | NRPAB AMC DEPOSIT 240621 | 7520515 | | 1,500.00- |
| Total for Object | | | 475165 AMC REGISTERED RENEWAL | | | | | | | | | 4,500.00- |
| 25320 | 079 | 000 | 53105200.475166. | | 566829 | 06/18/24 | RC | RB | NRPAB AMC DEPOSIT 240618 | 7516274 | | 350.00- |
| Total for Object | | | 475166 FED REG AMC RPT FORM PROC FEES | | | | | | | | | 350.00- |
| 25320 | 079 | 000 | 53105200.476101. | | 567421 | 06/21/24 | RC | RB | NRPAB AMC DEPOSIT 240621 | 7520515 | | 25.00- |
| Total for Object | | | 476101 LATE PROCESSING FEES | | | | | | | | | 25.00- |
| 25320 | 079 | 000 | 53105200.481100. | | 23707558 | 06/18/24 | JE | G | OIP Apr 24 2.97684% | 7519161 | | 804.06- |
| Total for Object | | | 481100 INVESTMENT INCOME | | | | | | | | | 804.06- |
| 25320 | 079 | 000 | 53105200.511100. | | 3181916 | 06/12/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7502910 | | 2,139.28 |
| 25320 | 079 | 000 | 53105200.511100. | | 3182210 | 06/26/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7521994 | | 2,780.50 |
| Total for Object | | | 511100 PERMANENT SALARIES-WAGES | | | | | | | | | 4,919.78 |
| 25320 | 079 | 000 | 53105200.511600. | | 3182210 | 06/26/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7521994 | | 175.00 |
| Total for Object | | | 511600 PER DIEM PAYMENTS | | | | | | | | | 175.00 |
| 25320 | 079 | 000 | 53105200.511700. | | 3182210 | 06/26/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7521994 | | 700.00 |
| Total for Object | | | 511700 EMPLOYEE BONUSES | | | | | | | | | 700.00 |

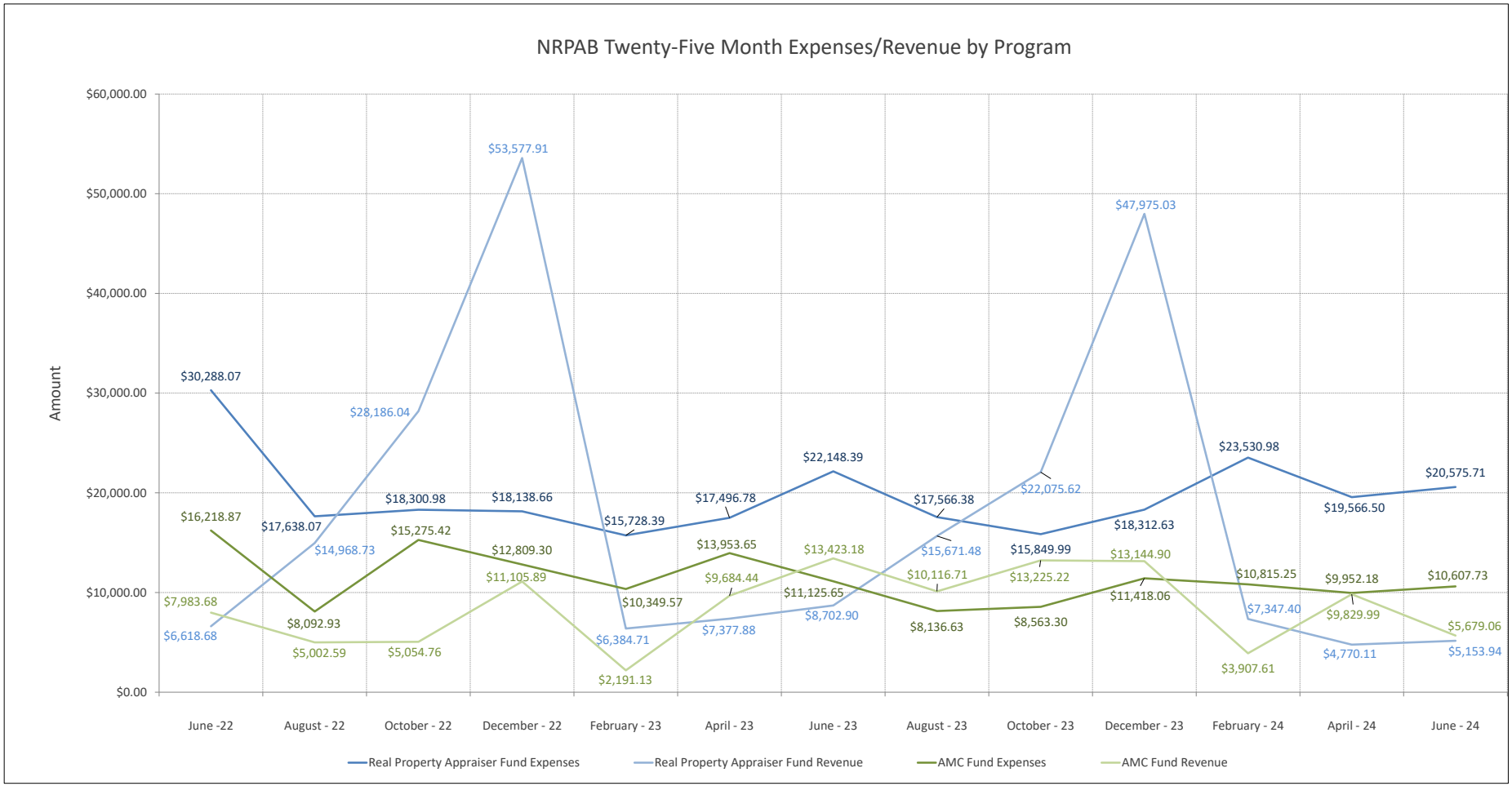
| Fund | Program | Sub-Program | Account Number | Sub-ledger | Doc Number | Tran Date | Tran Type | Batch Type | Payee/Explanation | Batch Number | Posted Code | Month to Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25320 | 079 | 000 | 53105200.512100. | | 3181916 | 06/12/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7502910 | | 495.96 |
| 25320 | 079 | 000 | 53105200.512100. | | 3182210 | 06/26/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7521994 | | 114.08 |
| Total for Object | | | 512100 VACATION LEAVE EXPENSE | | | | | | | | | 610.04 |
| 25320 | 079 | 000 | 53105200.512200. | | 3181916 | 06/12/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7502910 | | 9.70 |
| 25320 | 079 | 000 | 53105200.512200. | | 3182210 | 06/26/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7521994 | | 44.24 |
| Total for Object | | | 512200 SICK LEAVE EXPENSE | | | | | | | | | 53.94 |
| 25320 | 079 | 000 | 53105200.512300. | | 3181916 | 06/12/24 | T2 | 7 | PAYROLL LABOR DISTRIBUTION | 7502910 | | 293.88 |
| Total for Object | | | 512300 HOLIDAY LEAVE EXPENSE | | | | | | | | | 293.88 |
| 25320 | 079 | 000 | 53105200.515100. | | 3181917 | 06/12/24 | T3 | 7 | ACTUAL BURDEN JOURNAL ENTRIES | 7502910 | | 220.06 |
| 25320 | 079 | 000 | 53105200.515100. | | 3182211 | 06/26/24 | T3 | 7 | ACTUAL BURDEN JOURNAL ENTRIES | 7521994 | | 220.08 |
| Total for Object | | | 515100 RETIREMENT PLANS EXPENSE | | | | | | | | | 440.14 |
| 25320 | 079 | 000 | 53105200.515200. | | 3181917 | 06/12/24 | T3 | 7 | ACTUAL BURDEN JOURNAL ENTRIES | 7502910 | | 199.87 |
| 25320 | 079 | 000 | 53105200.515200. | | 3182211 | 06/26/24 | T3 | 7 | ACTUAL BURDEN JOURNAL ENTRIES | 7521994 | | 266.84 |
| Total for Object | | | 515200 FICA EXPENSE | | | | | | | | | 466.71 |
| 25320 | 079 | 000 | 53105200.515500. | | 3181917 | 06/12/24 | T3 | 7 | ACTUAL BURDEN JOURNAL ENTRIES | 7502910 | | 837.55 |
| 25320 | 079 | 000 | 53105200.515500. | | 3182211 | 06/26/24 | T3 | 7 | ACTUAL BURDEN JOURNAL ENTRIES | 7521994 | | 837.54 |
| Total for Object | | | 515500 HEALTH INSURANCE EXPENSE | | | | | | | | | 1,675.09 |
| 25320 | 079 | 000 | 53105200.521100. | | 23564216 | 06/03/24 | JE | G | NRPAB POSTAGE APRIL 2024 | 7497942 | | 52.01 |
| Total for Object | | | 521100 POSTAGE EXPENSE | | | | | | | | | 52.01 |
| 25320 | 079 | 000 | 53105200.521400. | | 55190951 | 06/03/24 | PV | V | AS - OCIO - COMMUNICATIONS | 7494148 | | 77.56 |
| 25320 | 079 | 000 | 53105200.521400. | | 55314853 | 06/12/24 | PV | V | AS - OCIO - IMSERVICES | 7512199 | | 258.02 |
| Total for Object | | | 521400 CIO CHARGES | | | | | | | | | 335.58 |
| 25320 | 079 | 000 | 53105200.524600. | | 23648037 | 06/11/24 | JE | G | NRPAB RENT JUNE 2024 | 7510831 | | 362.01 |
| 25320 | 079 | 000 | 53105200.524600. | | 55322956 | 06/13/24 | PV | V | SECRETARY OF STATE | 7514075 | | 10.39 |
| Total for Object | | | 524600 RENT EXPENSE-BUILDINGS | | | | | | | | | 372.40 |
| 25320 | 079 | 000 | 53105200.524900. | | 23648037 | 06/11/24 | JE | G | NRPAB RENT JUNE 2024 | 7510831 | | 122.12 |
| Total for Object | | | 524900 RENT EXP-DEPR SURCHARGE | | | | | | | | | 122.12 |
| 25320 | 079 | 000 | 53105200.531100. | | 23619703 | 06/06/24 | JE | G | NRPAB ODP BUS SOL 4/2024 | 7505743 | | 35.28 |

| Fund | Program | Sub-Program | Account Number | Sub-ledger | Doc Number | Tran Date | Tran Type | Batch Type | Payee/Explanation | Batch Number | Posted Code | Month to Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total for Object | | | 531100 OFFICE SUPPLIES EXPENSE | | | | | | | | | 35.28 |
| 25320 | 079 | 000 | 53105200.554900. | | 55306625 | 06/11/24 | PV | V | NEBRASKA STATE PATROL | 7511013 | | 45.25 |
| Total for Object | | | 554900 OTHER CONTRACTUAL SERVICES | | | | | | | | | 45.25 |
| 25320 | 079 | 000 | 53105200.571100. | | 23528006 | 06/01/24 | J9 | G | PURCHASE CARD TRANSACTION | 7492805 | | 68.60 |
| 25320 | 079 | 000 | 53105200.571100. | | 55267409 | 06/04/24 | PV | V | CORNHUSKER HOTEL | 7502515 | | 112.35 |
| Total for Object | | | 571100 LODGING | | | | | | | | | 180.95 |
| 25320 | 079 | 000 | 53105200.571800. | | 55243461 | 06/03/24 | PV | V | MINSHULL, DEREK | 7497947 | | 21.69 |
| Total for Object | | | 571800 MEALS - TRAVEL STATUS | | | | | | | | | 21.69 |
| 25320 | 079 | 000 | 53105200.574500. | | 55243461 | 06/03/24 | PV | V | MINSHULL, DEREK | 7497947 | | 107.87 |
| Total for Object | | | 574500 PERSONAL VEHICLE MILEAGE | | | | | | | | | 107.87 |
| Total for Business Unit | | 53105200 | AMC LICENSING | | | | | | | | | 4,928.67 |
| Total for Division | | 000 | | | | | | | | | | 20,350.44 |
| Total for Agency | | 053 | REAL PROPERTY APPRAISER BD | | | | | | | | | 20,350.44 |

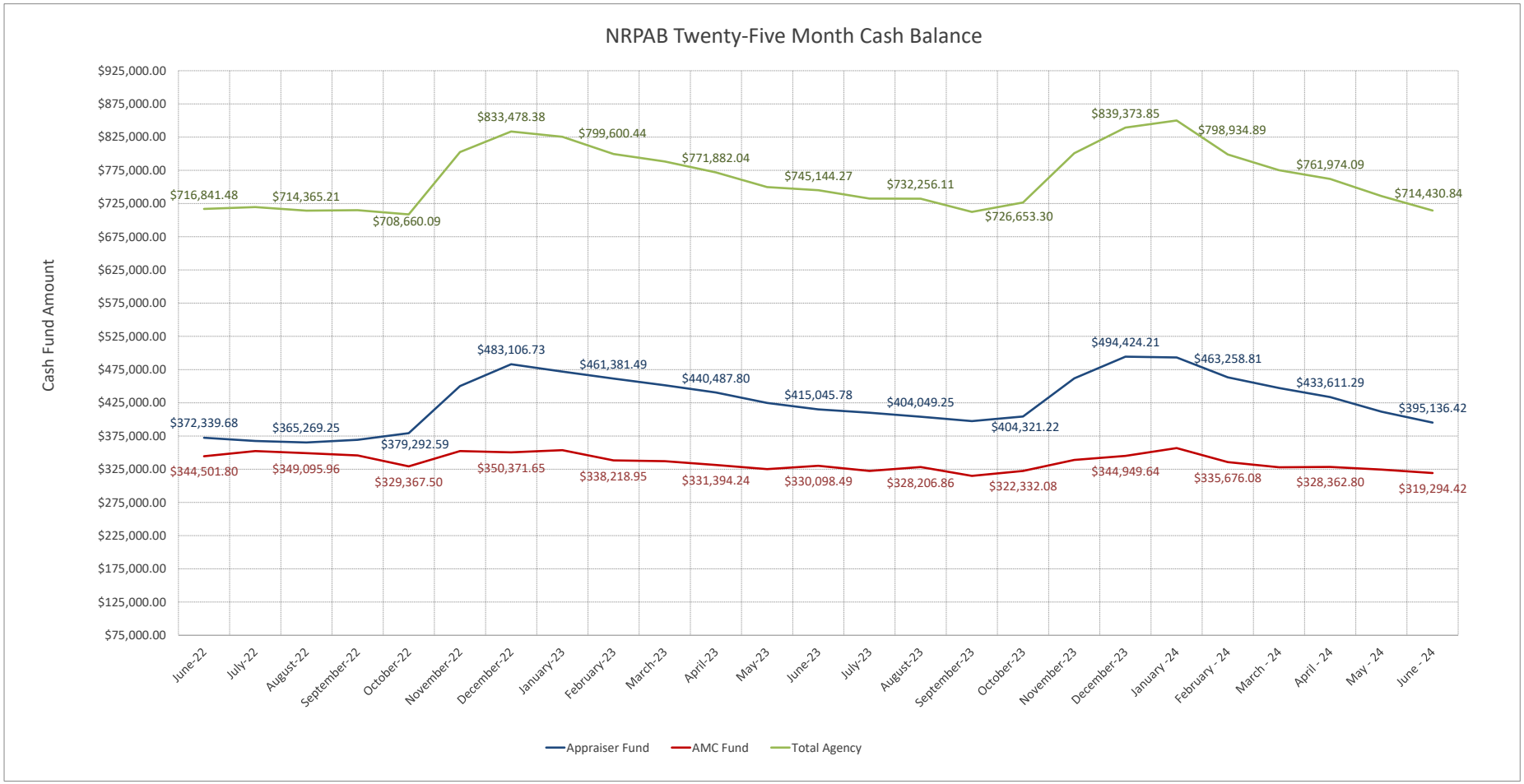
# Financial Report and Considerations - Financial Charts



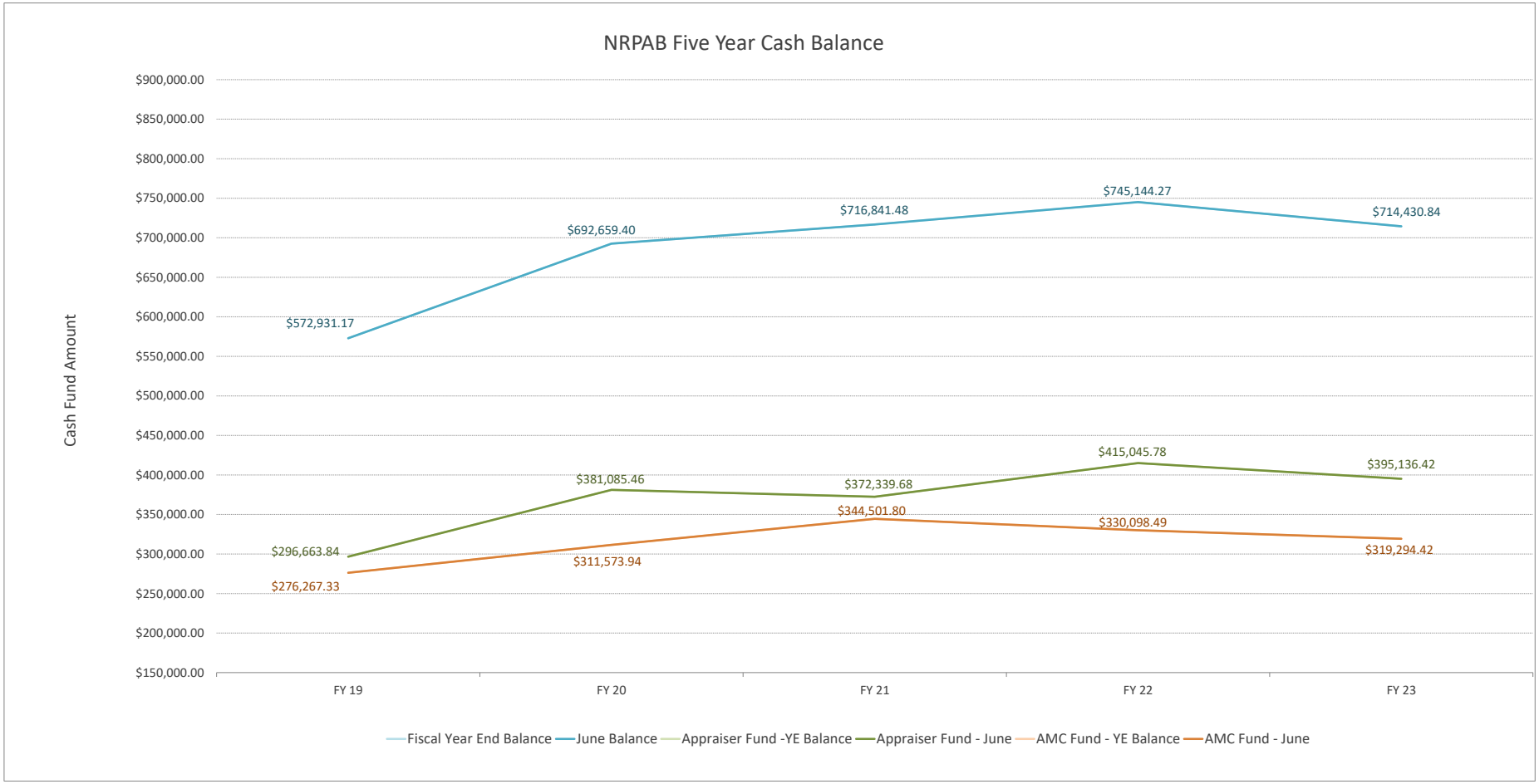
# Financial Report and Considerations - Financial Charts



# Financial Report and Considerations - Financial Charts



# Financial Report and Considerations - Financial Charts



NRPAB
Nebraska Real Property Appraiser Board

# FY 2024-25 Budget Highlights

**Appropriations**

| | FY2023-24 | FY2024-25 |
|---|---|---|
| CASH FUND | 433,431 | 444,285 |
| PROGRAM TOTAL | 433,431 | 444,285 |
| SALARY LIMIT | 233,044 | 243,592 |
| CARRYOVER ALLOCATION | | 72,793 |
| TOTAL APPROPRIATION | 433,431 | 517,078 |

**Projected Expenditures and Revenues**

- Appraiser and AMC Fund Expenditures: $420,023.00
  Appraiser and AMC Fund Revenues: $375,985.00

- Appraiser Fund Expenditures: $286,123.00
- Appraiser Fund Revenues: $261,810.00

- AMC Fund Expenditures: $133,920.00
  AMC Fund Revenues: $114,175.00

**Projected Carryover Allocation Use**

- NRPAB Employee Performance Program – $2,303.00 allocated to PSL, Retirement Plan Expenses and FICA Expenses (one-time expenditure).
- Health Insurance Expenses - $17,603.04 allocated to address employee health insurance increase (2025-2027 Biennial Budget Agency Issue).
- CIO Charges - $294.00 allocated to address technology cost increases (2025-2027 Biennial Budget Agency Issue).
- Education Services - $68.00 allocated for employee access to the State's LinkedIn Learning Library (one-time expenditure).
- Travel Expenses - $2,161.00 allocated to travel expense for additional board member travel (2025-2027 Biennial Budget Agency Issue).
- Estimated FY23 encumbered funds - $17,068.00.

**Proposed Budget Bullet Points**

- Proposed Budget includes general expenditure allocation of 65% to Appraiser Fund and 35% to AMC Fund.
- Employee Salaries and Benefits ($330,828.00).
- Board Member Per Diem Payments ($7,600.00)
- NRPAB Employee Recognition Program ($2,000.00)
- Travel - AARO Travel (1 Fall and no Spring Conference trip) and board member meeting travel ($16,356.00)
- Legal Services ($20,000.00); Legal Related ($3,000.00)
- Other Contractual Services - CHRC and Appraisal Review Services ($27,00.00)
- CIO – IM Services expenditures, Network Services expenditures, and software ($32,164.00)
- Other Operating Expenses (overage coverage of $719.00)

**Proposed Budget Changes**

- Budget includes the following changes from the FY 2023-24 appropriations:
  - Salary and Benefits ($33,612.00)
    - Permanent Salaries ($10,542.00), Retirement Plan ($1,489.00), FICA ($1,519.00), Health Insurance ($20,062.00)
  - Operating Expenses (-$4,490.00)
    - CIO Charges ($294.00), Conference Registration (-$450.00), Rent Expense (-$60.00), Education Services ($68.00), Other Contractual Services (-$3,000.00), Insurance Expense ($4.00), Other Operating Expenses (-$1,346.00).
  - Travel Expenses ($2,161.00)

**Applicant Standard 3 Reviewer Fees/SME Fees**

Applicant Reviews
Residential: 4 Hours x $125.00 = $500.00
2-4 Family: 5 Hours x $125.00 = $625.00
Agricultural: 7 Hours x $125.00 = $875.00
Commercial: 7 Hours X $125.00 = $875.00

SME
Residential: 5 Hours x $125.00 = $625.00
2-4 Family: 5 Hours x $125.00 = $625.00
Agricultural: 12 Hours x $125.00 = $1500.00
Commercial: 12 Hours X $125.00 = $1500.00

| Account | Object Code | Budgeted Fund Types | FY 21 Expenditures Budgeted Amount | FY 22 Expenditures Budgeted Amount | FY 23 Expenditures Budgeted Amount | FY 23 Encumbrance Estimates Budgeted Amount | FY 2 3 Carryover Use Budgeted Amount | FY 24 Budget Budgeted Amount | |
|---|---|---|---|---|---|---|---|---|---|
| | | **Personal Service Expenditures** | | | | | | | |
| 25310 | 511100 | Permanent Salaries - Wages | $144,900.34 | *$145,560.64* | $176,403.71 | $7,100.42 | | $202,636.00 | 53.822 x 2080 hours = 111,949.76 (10%) + LPM - 21.409 x 2080 hours = 44,539.72 (A01014 - 2% + 3 steps) + EPM - 19.381 x 2080 = 40,312.48 (A01014 - 2% + 3 steps) + BPM - 17.561 x 2080 = 36,526.88 (A19011 - 2% - No step increase due to probation period)== $233,319.84 - vacation leave - sick leave- holiday pay. |
| 25310 | 511200 | Temporary Salaries - Wages | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25310 | 511300 | Overtime Payments | $5,314.04 | *$4,156.16* | $3,522.82 | | | $0.00 | |
| 25310 | 511600 | Per Diem Payments | $6,600.00 | *$4,900.00* | $6,400.00 | $500.00 | | $7,600.00 | |
| 25310 | 511700 | Employee Bonuses | $1,000.00 | *$500.00* | $2,000.00 | | $2,000.00 | $2,000.00 | One time carryover from FY23-24 Budget added. |
| 25310 | 511800 | Comp Time Payments | $0.00 | *$379.28* | $0.00 | | | $0.00 | |
| 25310 | 512100 | Vacation Leave Expenses | $11,969.87 | *$13,082.59* | $12,204.09 | $162.97 | | $17,634.00 | 53.822 x 192 hours= 10,333.82 + LPM - 21.409 x 184 hours = 3,939.26 + EPM - 19.381 x 91 = 1,763.67 + BPM - 17.561 x 91 = 1,598.05 == 17,634.80. |
| 25310 | 512200 | Sick Leave Expenses | $653.38 | *$1,533.93* | $1,181.72 | $293.57 | | $2,281.00 | 53.822 x 10 hours= 538.22 + LPM - 21.409 x 40 hours = 856.36 + EPM - 19.381 x 24 = 465.14 + BPM - 17.561 x 24 = 421.46 == 2,281.18. |
| 25310 | 512300 | Holiday Leave Expenses | $7,636.48 | *$8,551.88* | $9,908.10 | $839.66 | | $10,769.00 | 53.822 x 96 hours= 5,166.91 + LPM - 21.409 x 96 hours = 2,055.26 + EPM - 19.381 x 96 = 1,860.58 + BPM - 17.561 x 96 = 1,685.86 == 10,768.61. |
| 25310 | 512500 | Funeral Leave Expenses | $0.00 | *$851.55* | $0.00 | | | $0.00 | |
| | | ***Personal Service Subtotals*** | **$178,074.11** | ***$179,516.03*** | **$211,620.44** | **$8,896.62** | **$2,000.00** | **$242,920.00** | |
| | | ***Employee Benefit Expenditures*** | ***Budgeted Amount*** | ***Expenses*** | ***Budgeted Amount*** | ***Budgeted Amount*** | ***Budgeted Amount*** | ***Budgeted Amount*** | |
| 25310 | 515100 | Retirement Plan Expenses | $12,764.89 | *$13,037.72* | $15,217.25 | $628.74 | $150.00 | $17,649.00 | State projected rate (7.5%) PSL total - Temporary Salaries - Per Diem Payments = 17,499.00. 150.00 one time carryover from FY23-24 Budget added |
| 25310 | 515200 | FICA Expenses | $12,606.09 | *$12,654.76* | $14,834.59 | $609.33 | $153.00 | $18,583.00 | State projected rate (7.65%) for salaries under $142,200 PSL total - Temporary Salaries = 18,430.38. 153.00 one time carryover from FY23-24 Budget added |
| 25310 | 515400 | Life & Accident Ins Expenses | $0.00 | *$0.00* | $0.00 | | | $0.00 | No longer in use. |
| 25310 | 515500 | Health Insurance Expenses | $32,902.80 | *$35,139.70* | $43,891.16 | | $17,603.00 | $59,730.00 | TK - 2,011.84 x 12 = 24,142.08 + LPM - 566.72 x 12 = 6,800.64 + EPM - 387.12 x 12 = 4,645.44 + BPM - 2,011.84 x 12 = 24,142.08 == 59,730.24. Additional 17,603.00 insurance cost to be included in future allocations for difference between FY23 projected insurance election for BPM and FY23 and FY24 actual election. |
| 25310 | 516300 | Employee Assistance Pro | $37.08 | *$37.08* | $0.00 | | | $0.00 | |
| 25310 | 516400 | Unemployment Comp Ins Exp | $0.00 | *$0.00* | $0.00 | | | $0.00 | $2,037.90 |
| 25310 | 516500 | Workers Comp Premiums | $1,528.00 | *$1,528.00* | $1,546.00 | | | $1,546.00 | State projected rate. |
| | | ***Employee Benefit Subtotals*** | **$59,838.86** | ***$62,397.26*** | **$75,489.00** | **$1,238.07** | **$17,906.00** | **$97,508.00** | |
| | | ***Operating Expenses*** | ***Budgeted Amount*** | ***Expenses*** | ***Budgeted Amount*** | ***Budgeted Amount*** | ***Budgeted Amount*** | ***Budgeted Amount*** | |
| 25310 | 521100 | Postage Expenses | $2,309.32 | *$2,416.27* | $2,545.59 | $148.61 | | $2,500.00 | Based on previous expenditures. |
| 25310 | 521200 | Comm Exp-Voice/Data | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25310 | 521300 | Freight | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25320 | 521400 | CIO Charges | $37,756.36 | *$76,784.23* | $25,772.28 | $955.16 | $294.00 | $32,164.00 | IM Services expenditures IM Services Monthy Base Expenditures for FY23-24 + 1,000.00 per month for database maintanence and small projects - Special Board approved project expenses: 2,400.00 x 12 = 28,800.00 + Network Services (based average per month for FY23-24) 222 x 12 = 2,664.00 + 300.00 for new software + 400.00 for Dreamweaver renewal == 32,164.00. 294.00 cost to be included in future allocations. |
| 25310 | 521500 | Publication & Print Expense | $6,282.98 | *$4,571.39* | $1,333.01 | $434.84 | | $3,000.00 | Flat Rate for Copier 132.33 x 12 = 1,587.96 + copy/print service charges = 1,333.00 == 2,920.96 |
| 25310 | 521900 | Awards Expense | $28.00 | *$28.00* | $28.00 | | | $50.00 | |
| 25310 | 522100 | Dues & Subscription Expense | $698.66 | *$600.00* | $600.00 | | | $600.00 | Cost of AARO Membership |
| 25310 | 522200 | Conference Registration | $1,065.00 | *$1,100.00* | $1,200.00 | | | $650.00 | Projected AARO conference attendance rate of 650.00 - 1 AARO Fall (Spring not included) == 650.00 |
| 25310 | 539500 | Purchasing Card Suspense | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25320 | 524600 | Rent Expense - Buildings | $11,731.65 | *$11,716.86* | $12,803.00 | | | $12,772.00 | 1490 Sq ft. x state projected rate of 8.33 per square ft for SOB = 12,411.70 + recoreds storage (30 x12 = 360.00) == 12,771.70 |
| 25310 | 532200 | Personal Computing Equip | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25320 | 524900 | Rent Exp - Dupr Surcharge | $3,859.08 | *$3,859.08* | $4,186.92 | | | $4,187.00 | 1490 Sq ft. x state projected rate of 2.81 per square ft for SOB = 4,186.90 |
| 25310 | 527900 | Personal Comput Equip R & M | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25320 | 527100 | Rep & Maint - Office Equip | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25310 | 532260 | Voice Equip | $0.00 | *$60.19* | $229.33 | | | $0.00 | |
| 25310 | 532280 | Video Equip | $408.30 | *$0.00* | $0.00 | | | $0.00 | |
| 25310 | 531100 | Office Supplies Expense | $3,182.42 | *$732.53* | $3,632.06 | $166.65 | | $2,000.00 | |
| 25310 | 532100 | Non-Capitalized Equip PU | $0.00 | *$0.00* | $2,201.70 | $1,830.00 | | $0.00 | |
| 25310 | 533100 | Household & Instit Expense | $74.40 | *$68.00* | $9.51 | | | $0.00 | |
| 25310 | 534900 | Misc Supplies Expense | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25310 | 527960 | Voice Equip Repair & Maint | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25310 | 541100 | Acctg & Auditing Services | $1,037.00 | *$1,037.00* | $1,128.00 | | | $1,128.00 | State projected rate. |
| 25310 | 541200 | Purchasing Assessment | $83.00 | *$83.00* | $39.00 | | | $39.00 | State projected rate. |
| 25310 | 541400 | HRMS Assessment | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25310 | 541500 | Legal Services Expense | $3,500.00 | *$80.00* | $1,189.00 | | | $20,000.00 | |
| 25310 | 541700 | Legal Related Expense | $13.50 | *$45.00* | $1.00 | | | $3,000.00 | |
| 25310 | 541900 | Settlements | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25310 | 542100 | SOS Temp Serv - Personnel | $4,440.16 | *$2,232.65* | $4,666.66 | | | $0.00 | |
| 25310 | 547100 | Educational Services | $95.00 | *$0.00* | $0.00 | | $68.00 | $68.00 | One time carryover from FY23-25 Budget. |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | New Appriaser CHRC - total number of projected applications - 61 x 45.25 = 2,760.25; AMC new CHRC (2 sumission @ 2 per application) x 45.25 = $181.00; AMC Fingerprint renew - 10 x 45.25 = 452.50 = 3,393.25 ------ 18,725.00 for applicant reviews --- 5 Grievances (1 Commercial; 1 Ag; 3 Residential) for SME = 4,875.00 == 26,993.75 |
| 25310 | 554900 | Other Contractual Service | $29,150.00 | *$25,059.13* | $21,203.61 | $2,018.05 | | $27,000.00 | |
| 25310 | 555200 | Non-Capitalized Software | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25310 | 556100 | Insurance Expense | $47.76 | *$48.34* | $52.51 | | | $53.00 | Based on projected expenditures. |
| 25310 | 556300 | Surety & Notary Bonds | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25310 | 559100 | Other Operating Expenses | $120.00 | *$80.00* | $200.00 | | | $719.00 | 719.00 to allow budeting flexability. |
| ***Operating Expenses Subtotals*** | | | **$105,882.59** | ***$130,601.67*** | **$83,021.18** | **$5,553.31** | **$362.00** | **$109,930.00** | |
| ***Travel Expenses*** | | | ***Budgeted Amount*** | ***Expenses*** | ***Budgeted Amount*** | ***Budgeted Amount*** | ***Budgeted Amount*** | ***Budgeted Amount*** | |
| | | | | | | | | | Downing: 110.00 per night for 10 occurances = 1,100.00 + Johnson: 110.00 per night for 10 occurances = 1,100.00 + Minshull: 110.00 per night for 10 occurances= 1,100.00 == 3,300.00 + AARO Attendance 250.00 per night x 4 = 1,000.00 === 4,300.00 |
| 25310 | 571100 | Lodging | $3,921.63 | $3,672.84 | $3,459.82 | $321.00 | $300.00 | $4,300.00 | |
| 25310 | 571600 | Meals - Not Travel Status | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| | | | | | | | | $2,031.00 | Downing: State First and Last Day Travel Per Diem 30.98 x 2 = 61.96 x 10 = 619.60 + Johnson: State First and Last Day Travel Per Diem 30.98 x 2 = 61.96 x 10 = 619.60 + Minshull: State First and Last Day Travel Per Diem 30.98 x 2 = 61.96 x 10 = 619.60 == 1,859.88 + AARO Conference Attendance: State Per Diem Rate (Boston, MA) x 5 days = 170.81 === 2,030.69 |
| 25310 | 571800 | Meals - Travel Status | $1,227.78 | *$1,188.40* | $1,309.17 | $185.88 | $431.00 | | |
| | | | | | | | | | AARO Conference attendance: 750.00 per airline ticket x 1 = 750.00 + Cab Fare 50.00 each way x 2 = 100.00 == 850.00 |
| 25310 | 572100 | Commercial Transportation | $0.00 | *$0.00* | $0.00 | | | $850.00 | |
| 25310 | 573100 | State-Owned Transportation | $0.00 | *$0.00* | $0.00 | | | $200.00 | Standard allocation. |
| | | | | | | | | | Downing: 470 miles x .670 = 314.90 per round trip x 10 = 3,149.00; Johnson: 230 miles x .670 = 154.10 per round trip x 10 = 1,541.00; Minshull: 460 miles x .670 = 308.20 per round trip x 10 = 3,082.00; Hermsen: 90 miles x .67 = 60.30 per round trip x 10 = 603.00 == 8,375.00 + AARO Conference Attendance round trip miles to and from Airport 120 x .67 = 80.40 ===8,455.40 |
| 25310 | 574500 | Personal Vehicle Mileage | $6,783.06 | *$6,056.66* | $6,763.67 | $834.82 | $1,430.00 | $8,455.00 | |
| 25310 | 574600 | Contractual Serv - Travel Exp | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| | | | | | | | | | Board meeting parking: 8 x 5 = 40 x 10 occurances = 400; Airport Parking 24 per day x 5 = 120.00 == 520.00 |
| 25310 | 575100 | Misc Travel Expenses | $259.25 | *$201.55* | $209.55 | $38.75 | | $520.00 | |
| ***Travel Expenses Subtotals*** | | | **$12,191.72** | ***$11,119.45*** | **$11,742.21** | **$1,380.45** | **$2,161.00** | **$16,356.00** | |
| ***Capital Outlay*** | | | ***Budgeted Amount*** | ***Expenses*** | ***Budgeted Amount*** | ***Budgeted Amount*** | ***Budgeted Amount*** | ***Budgeted Amount*** | |
| 25310 | 583000 | Furniture & Office Equipment | $0.00 | *$0.00* | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 583300 | Computer Equip & Software | $0.00 | *$0.00* | $0.00 | $0.00 | $0.00 | $0.00 | |
| ***Capital Outlay Subtotals*** | | | **$0.00** | ***$0.00*** | **$0.00** | **$0.00** | **$0.00** | **$0.00** | |
| ***Operating Expenditures Subtotals*** | | | **$177,913.17** | ***$204,118.38*** | **$170,252.39** | **$8,171.83** | **$20,429.00** | **$223,794.00** | |
| ***Expenditures Subtotals*** | | | **$355,987.28** | ***$383,634.41*** | **$381,872.83** | **$17,068.45** | **$22,429.00** | **$466,714.00** | |
| ***Budget Funds Revenues*** | | | ***Revenues*** | ***Revenue*** | ***Revenues*** | | | ***Projected Amount*** | |
| 25310 | 471100 | Sale of Services | $425.00 | *$450.00* | $475.00 | | | $450.00 | Based on previous expenditures. |
| 25310 | 472200 | Reproduction & Publications | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| | | | | | | | | | Estimated 32 education activities x 50.00 = 1,400.00 |
| 25310 | 471120 | Qualifying Ed Course Fees | $700.00 | *$1,675.00* | $1,725.00 | | | $1,600.00 | |
| | | | | | | | | | Estimated 100 education activities x 25.00 = 2,500.00 |
| 25310 | 471121 | Continuing Ed New Fees | $1,600.00 | *$3,175.00* | $2,350.00 | | | $2,500.00 | |
| 25310 | 471122 | Continuing Ed Renewal Fees | $230.00 | *$190.00* | $160.00 | | | $150.00 | Estimated 15 education activities x 10.00 = 150.00 |
| 25310 | 475150 | Certified General New Fees | $12,300.00 | *$9,900.00* | $9,000.00 | | | $9,300.00 | 26 new Reciprocal; 5 new E,E,&E x 300.00 |
| 25310 | 475151 | Licensed New Fees | $1,800.00 | *$900.00* | $300.00 | | | $300.00 | 0 new Reciprocal; 1 new E,E,&E x 300 |
| 25310 | 475152 | Fingerprint Fees | $4,072.50 | *$3,529.50* | $2,217.25 | | | $2,760.25 | 61 CHRC Fees for new appraiser applications x 45.25 |
| 25310 | 475153 | Certified Residential New | $2,400.00 | *$3,600.00* | $2,400.00 | | | $3,000.00 | 3 new Reciprocal; 7 new E,E,&E x 300 |
| 25310 | 475154 | Certified General Renewal | $88,000.00 | *$118,525.00* | $99,275.00 | | | $116,050.00 | 112 One Year CG renewals x 275.00; 155 Two Year CG Renewals x 550.00 |
| 25310 | 475155 | Licensed Renewal | $10,450.00 | *$14,025.00* | $9,900.00 | | | $12,100.00 | 24 One Year LR renewals x 275.00; 10 Two Year LR Renewals x 550.00 |
| 25310 | 475156 | Fingerprint Audit Program Fees | $3,095.00 | *$3,835.00* | $3,340.00 | | | $0.00 | Renewal CHRC Fees no longer collected. |
| 25310 | 475157 | Certified Residential Renewal | $54,175.00 | *$63,525.00* | $54,175.00 | | | $62,700.00 | 80 One Year CR renewals x 275.00; 74 Two Year CR Renewals x 550.00 |
| 25310 | 475159 | Temporary Licensed Fees | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25310 | 475160 | Temporary Cert Residential | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25310 | 475161 | Temporary Certified General | $9,100.00 | *$8,150.00* | $8,200.00 | | | $8,250.00 | 165 new temporary credentials x 50.00 = 8,250.00 |
| 25310 | 475162 | Appraiser Trainee | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| | | | | | | | | | 165 Tempoary credential applications x 100.00 = 16,500.00; 61 Appraiser credential applications x 150.00= 9,150.00 == 25,650.00. |
| 25310 | 475234 | Application Fees | $32,250.00 | *$28,000.00* | $23,750.00 | | | $25,650.00 | |
| 25310 | 475166 | Licensed Inactive | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25310 | 475167 | Certified Residential Inactive | $0.00 | *$0.00* | $0.00 | | | $300.00 | 1 new inactive application x 300.00. |
| 25310 | 475168 | Certified General Inactive | $0.00 | *$0.00* | $0.00 | | | $300.00 | 1 new inactive application x 300.00. |
| 25310 | 476101 | App Late Processing Fees | $3,750.00 | *$3,925.00* | $3,850.00 | | | $3,900.00 | Based on previous expenditures. |
| 25320 | 475163 | AMC Registered New Fees | $12,000.00 | *$4,000.00* | $4,000.00 | | | $4,000.00 | 2 new AMC registrations x 2,000.00. |
| 25320 | 475164 | AMC Application Fees | $2,100.00 | *$1,050.00* | $700.00 | | | $700.00 | 2 new AMC applications x 350.00. |
| 25320 | 475165 | AMC Registered Renewal Fees | $130,500.00 | *$123,000.00* | $105,000.00 | | | $99,000.00 | 66/72 AMC renewals x 1,500.00 |
| 25320 | 475166 | Fed Reg AMC Rpt Form Proc Fees | $0.00 | *$0.00* | $700.00 | | | $700.00 | 2 Federal AMC Report |
| 25320 | 476101 | AMC Late Processing Fees | $500.00 | *$475.00* | $275.00 | | | $275.00 | Based on previous expenditures. |
| ***Budget Fund Revenues Subtotals*** | | | **$369,447.50** | ***$391,929.50*** | **$331,792.25** | | | **$353,985.25** | |
| ***Miscellaneous Revenues*** | | | ***Projected Amount*** | ***Revenue*** | ***Projected Amount*** | | | ***Projected Amount*** | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 25310 | 481100 | Appraiser Investment Income | $5,969.46 | *$8,758.07* | $11,365.44 | | | $12,000.00 | Appraiser Fund Investment Income. |
| 25320 | 481100 | AMC Investment Income | $4,920.48 | *$7,548.40* | $8,586.89 | | | $9,000.00 | AMC Fund Investment Income. |
| 25310 | 485100 | Appraiser Fines Forfeits & Penalties | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25320 | 485101 | AMC Fines Forfeits & Penalties | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| 25310 | 484500 | App Reimbursement Non-Govt Sources | $426.37 | *$381.23* | $3,644.17 | | | $500.00 | Reimbursement for investigative costs. |
| 25320 | 484500 | AMC Reimbursement Non-Govt Sources | $5.55 | *$0.00* | $58.42 | | | $500.00 | Reimbursement for Investigative costs. |
| 25310 | 486500 | Miscellaneous Adjustments | -$125.00 | *$0.00* | $0.00 | | | $0.00 | |
| ***Miscellaneous Revenues Subtotals*** | | | **$11,196.86** | ***$16,687.70*** | **$23,654.92** | | | **$22,000.00** | |
| ***Other Financial Sources*** | | | ***Projected Amount*** | ***Revenue*** | ***Projected Amount*** | | | ***Projected Amount*** | |
| 25310 | 491300 | Appraiser Sale of Surplus Property | $0.00 | *$0.00* | $41.27 | | | $0.00 | |
| 25320 | 491300 | AMC Sale of Surplus Property | $0.00 | *$0.00* | $22.21 | | | $0.00 | |
| 25310 | 493200 | Operating Transfers Out | $0.00 | *$0.00* | $0.00 | | | $0.00 | |
| ***Other Financial Sources Subtotals*** | | | **$0.00** | ***$0.00*** | **$63.48** | | | **$0.00** | |
| ***Revenue Subtotals*** | | | **$380,644.36** | ***$408,617.20*** | **$355,510.65** | | | **$375,985.25** | |
| ***Operation Line Report*** | | | **$24,657.08** | ***$24,982.79*** | **-$26,362.18** | | | **-$90,728.75** | |

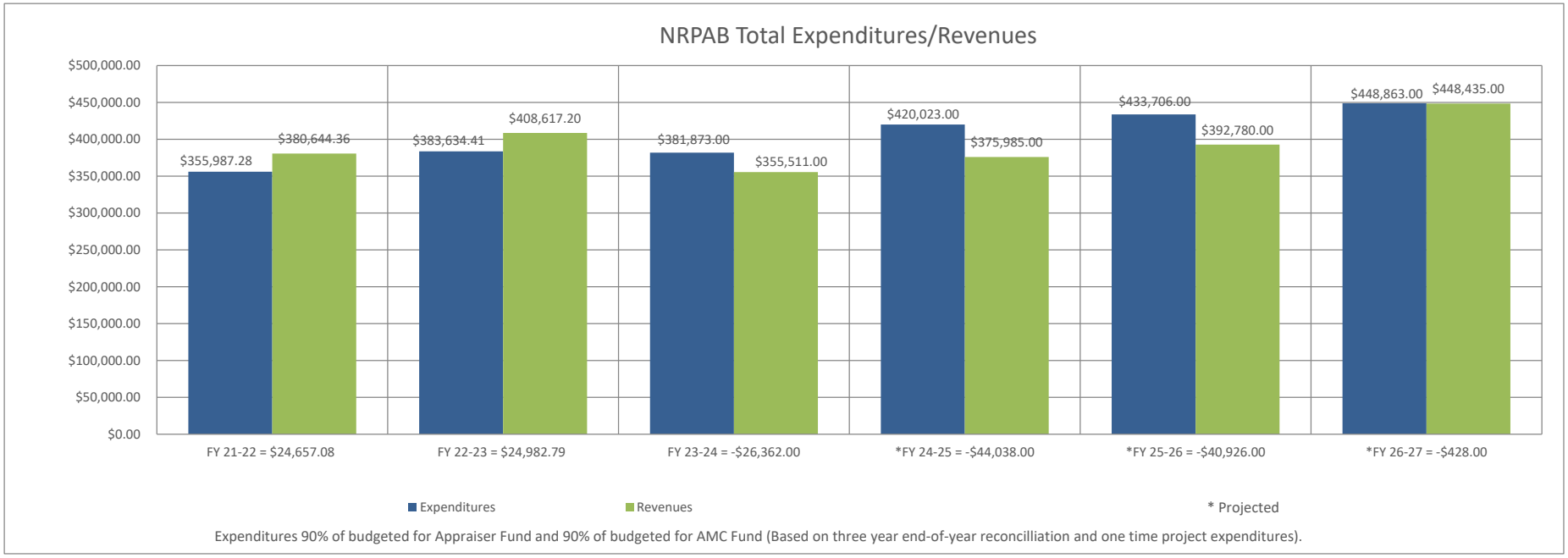
| | |
|---|---|
| **Base Allocation:** | **$444,285.00** |
| PSL: | $243,592.00 |
| **Carryover Allocation:** | **$72,792.96** |
| FY23 Estimated Encum: | $17,068.45 |
| NRPAB EPP & Benefits: | $2,303.00 |
| Employee Health Insurance: | $17,603.00 |
| CIO IM Services | $294.00 |
| Board Member Travel: | $2,161.00 |
| LinkedIn Learning: | $68.00 |
| **Total Carryover Used:** | **$39,497.45** |
| **Total Availabe Allocation:** | **$517,077.96** |
| Remainder: | $33,295.51 |
| Total Budget (No Enc): | $466,714.00 |

| Account | Object Code | Budgeted Fund Types | Budgeted Amount | 65.00% | 35.00% | | *Split based on time staff allocates to each act for combined expenses. All expenses specific to one fund or another will be applied only to that fund. |
|---|---|---|---|---|---|---|---|
| Personal Service Expenditures | | | FY 24-25 Budgeted Amount (Current Fees) | Appraiser | AMC | Verification | Notes |
| 25310 | 511100 | Permanent Salaries - Wages | $202,636.00 | $131,713.40 | $70,922.60 | $202,636.00 | |
| 25310 | 511200 | Temporary Salaries - Wages | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 511300 | Overtime Payments | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 511600 | Per Diem Payments | $7,600.00 | $4,940.00 | $2,660.00 | $7,600.00 | |
| 25310 | 511700 | Employee Bonuses | $2,000.00 | $1,300.00 | $700.00 | $2,000.00 | |
| 25310 | 511800 | Comp Time Payments | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 512100 | Vacation Leave Expenses | $17,634.00 | $11,462.10 | $6,171.90 | $17,634.00 | |
| 25310 | 512200 | Sick Leave Expenses | $2,281.00 | $1,482.65 | $798.35 | $2,281.00 | |
| 25310 | 512300 | Holiday Leave Expenses | $10,769.00 | $6,999.85 | $3,769.15 | $10,769.00 | |
| 25310 | 512500 | Funeral Leave Expenses | $0.00 | $0.00 | $0.00 | $0.00 | |
| Personal Service Subtotals | | | $242,920.00 | $157,898.00 | $85,022.00 | $242,920.00 | |
| Employee Benefit Expenditures | | | | | | | |
| 25310 | 515100 | Retirement Plan Expenses | $17,649.00 | $11,471.85 | $6,177.15 | $17,649.00 | |
| 25310 | 515200 | FICA Expenses | $18,583.00 | $12,078.95 | $6,504.05 | $18,583.00 | |
| 25310 | 515400 | Life & Accident Ins Expenses | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 515500 | Health Insurance Expenses | $59,730.00 | $38,824.50 | $20,905.50 | $59,730.00 | |
| 25310 | 516300 | Employee Assistance Pro | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 516400 | Unemployment Comp Ins Exp | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 516500 | Workers Comp Premiums | $1,546.00 | $1,004.90 | $541.10 | $1,546.00 | |
| Employee Benefit Subtotals | | | $97,508.00 | $63,380.20 | $34,127.80 | $97,508.00 | |
| Operating Expenses | | | | | | | |
| 25310 | 521100 | Postage Expenses | $2,500.00 | $1,625.00 | $875.00 | $2,500.00 | |
| 25310 | 521200 | Comm Exp-Voice/Data | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 521300 | Freight | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25320 | 521400 | CIO Charges | $32,164.00 | $20,906.60 | $11,257.40 | $32,164.00 | |
| 25310 | 521500 | Publication & Print Expense | $3,000.00 | $1,950.00 | $1,050.00 | $3,000.00 | |
| 25310 | 521900 | Awards Expense | $50.00 | $32.50 | $17.50 | $50.00 | |
| 25310 | 522100 | Dues & Subscription Expense | $600.00 | $390.00 | $210.00 | $600.00 | |
| 25310 | 522200 | Conference Registration | $650.00 | $422.50 | $227.50 | $650.00 | |
| 25310 | 539500 | Purchasing Card Suspense | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25320 | 524600 | Rent Expense - Buildings | $12,772.00 | $8,301.80 | $4,470.20 | $12,772.00 | |
| 25310 | 532200 | Personal Computing Equip | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25320 | 524900 | Rent Exp - Dupr Surcharge | $4,187.00 | $2,721.55 | $1,465.45 | $4,187.00 | |
| 25310 | 527900 | Personal Comput Equip R & M | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25320 | 527100 | Rep & Maint - Office Equip | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 532260 | Voice Equip | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 532280 | Video Equip | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 531100 | Office Supplies Expense | $2,000.00 | $1,300.00 | $700.00 | $2,000.00 | |
| 25310 | 532100 | Non-Capitalized Equip PU | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 533100 | Household & Instit Expense | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 534900 | Misc Supplies Expense | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 527960 | Voice Equip Repair & Maint | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 541100 | Acctg & Auditing Services | $1,128.00 | $733.20 | $394.80 | $1,128.00 | |
| | 541200 | Purchasing Assessment | $39.00 | $25.35 | $13.65 | $39.00 | |
| 25310 | 541400 | HRMS Assessment | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 541500 | Legal Services Expense | $20,000.00 | $18,000.00 | $2,000.00 | $20,000.00 | 90/10 split |
| 25310 | 541700 | Legal Related Expense | $3,000.00 | $2,700.00 | $300.00 | $3,000.00 | 90/10 split |
| 25310 | 541900 | Settlements | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 542100 | SOS Temp Serv - Personnel | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 547100 | Educational Services | $68.00 | $44.20 | $23.80 | $68.00 | |
| 25310 | 554900 | Other Contractual Service | $27,000.00 | $26,350.00 | $650.00 | $27,000.00 | New Appriaser CHRC - total number of projected applications - 61 x 45.25 = 2,760.25; AMC new CHRC (2 sumission @ 2 per application) x 45.25 = $181.00; AMC Fingerprint renew - 10 x 45.25 = 452.50 = 3,393.25 ------ 18,725.00 for applicant reviews --- 5 Grievances (1 Commercial; 1 Ag; 3 Residential) for SME = 4,875.00 == 26,993.75 |
| 25310 | 555200 | Non-Capitalized Software | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 556100 | Insurance Expense | $53.00 | $34.45 | $18.55 | $53.00 | |
| 25310 | 556300 | Surety & Notary Bonds | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 559100 | Other Operating Expenses | $719.00 | $467.35 | $251.65 | $719.00 | |
| Operating Expenses Subtotals | | | $109,930.00 | $86,004.50 | $23,925.50 | $109,930.00 | |
| Travel Expenses | | | Budgeted Amount | | | | |
| 25310 | 571100 | Lodging | $4,300.00 | $2,795.00 | $1,505.00 | $4,300.00 | |
| 25310 | 571600 | Meals - Taxable | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 571800 | Meals - Travel Status | $2,031.00 | $1,320.15 | $710.85 | $2,031.00 | |
| 25310 | 572100 | Commercial Transportation | $850.00 | $552.50 | $297.50 | $850.00 | |
| 25310 | 573100 | State-Owned Transportation | $200.00 | $130.00 | $70.00 | $200.00 | |
| 25310 | 574500 | Personal Vehicle Mileage | $8,455.00 | $5,495.75 | $2,959.25 | $8,455.00 | |
| 25310 | 574600 | Contractual Serv - Travel Exp | $0.00 | $0.00 | $0.00 | $0.00 | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 25310 | 575100 | Misc Travel Expenses | $520.00 | $338.00 | $182.00 | $520.00 | |
| ***Travel Expenses Subtotals*** | | | **$16,356.00** | **$10,631.40** | **$5,724.60** | **$16,356.00** | |
| ***Capital Outlay*** | | | ***Budgeted Amount*** | | | | |
| 25310 | 583000 | Furniture & Office Equipment | $0.00 | $0.00 | $0.00 | $0.00 | |
| 25310 | 583300 | Computer Equip & Software | $0.00 | $0.00 | $0.00 | $0.00 | |
| ***Capital Outlay Subtotals*** | | | **$0.00** | $0.00 | $0.00 | | |
| ***Operating Expenditures Subtotals*** | | | **$223,794.00** | | | | |
| ***Expenditures Subtotals*** | | | **$466,714.00** | **$317,914.10** | **$148,799.90** | **$466,714.00** | |
| ***Budget Funds Revenues*** | | | ***Projected Amount*** | | | | |
| 25310 | 471100 | Sale of Services | $450.00 | $450.00 | | | |
| 25310 | 472200 | Reproduction & Publications | $0.00 | $0.00 | | | |
| 25310 | 471120 | Qualifying Ed Course Fees | $1,600.00 | $1,600.00 | | | |
| 25310 | 471121 | Continuing Ed New Fees | $2,500.00 | $2,500.00 | | | |
| 25310 | 471122 | Continuing Ed Renewal Fees | $150.00 | $150.00 | | | |
| 25310 | 475150 | Certified General New Fees | $9,300.00 | $9,300.00 | | | |
| 25310 | 475151 | Licensed New Fees | $300.00 | $300.00 | | | |
| 25310 | 475152 | Fingerprint Fees | $2,760.25 | $2,760.25 | | | |
| 25310 | 475153 | Certified Residential New | $3,000.00 | $3,000.00 | | | |
| 25310 | 475154 | Certified General Renewal | $116,050.00 | $116,050.00 | | | |
| 25310 | 475155 | Licensed Renewal | $12,100.00 | $12,100.00 | | | |
| 25310 | 475156 | Fingerprint Audit Program Fees | $0.00 | $0.00 | | | |
| 25310 | 475157 | Certified Residential Renewal | $62,700.00 | $62,700.00 | | | |
| 25310 | 475159 | Temporary Licensed Fees | $0.00 | $0.00 | | | |
| 25310 | 475160 | Temporary Cert Residential | $0.00 | $0.00 | | | |
| 25310 | 475161 | Temporary Certified General | $8,250.00 | $8,250.00 | | | |
| 25310 | 475162 | Appraiser Trainee | $0.00 | $0.00 | | | |
| 25310 | 475234 | Application Fees | $25,650.00 | $25,650.00 | | | |
| 25310 | 475166 | Licensed Inactive | $0.00 | $0.00 | | | |
| 25310 | 475167 | Certified Residential Inactive | $300.00 | $300.00 | | | |
| 25310 | 475168 | Certified General Inactive | $300.00 | $300.00 | | | |
| 25310 | 476101 | App Late Processsing Fees | $3,900.00 | $3,900.00 | | | |
| 25320 | 475163 | AMC Registered New Fees | $4,000.00 | | $4,000.00 | | |
| 25320 | 475164 | AMC Application Fees | $700.00 | | $700.00 | | |
| 25320 | 475165 | AMC Registered Renewal Fees | $99,000.00 | | $99,000.00 | | |
| 25320 | 475165 | Fed Reg AMC Rpt Form Proc Fees | $700.00 | | $700.00 | | |
| 25320 | 476101 | AMC Late Processing Fees | $275.00 | | $275.00 | | |
| ***Budget Fund Revenues Subtotals*** | | | **$353,985.25** | | | | |
| ***Miscellaneous Revenues*** | | | | | | | |
| 25310 | 481100 | Investment Income | $12,000.00 | $12,000.00 | | | |
| 25320 | 481100 | AMC Investment Income | $9,000.00 | $0.00 | $9,000.00 | | |
| 25310 | 485100 | Fines Forfeits & Penalties | $0.00 | $0.00 | $0.00 | | |
| 25320 | 485101 | AMC Fines Forfeits & Penalties | $0.00 | $0.00 | $0.00 | | |
| 25310 | 484500 | App Reimbursement Non-Govt Sources | $500.00 | $500.00 | $0.00 | | |
| 25320 | 484500 | AMC Reimbursement Non-Govt Sources | $500.00 | $0.00 | $500.00 | | |
| 25310 | 486500 | Miscellaneous Adjustments | $0.00 | $0.00 | $0.00 | | |
| ***Miscellaneous Revenues Subtotals*** | | | **$22,000.00** | | | | |
| ***Other Financial Sources*** | | | | | | | |
| 25310 | 493200 | Operating Transfers Out | $0.00 | | | | |
| ***Other Financial Sources Subtotals*** | | | **$0.00** | | | | |
| ***Revenue Subtotals*** | | | **$375,985.25** | **$261,810.25** | **$114,175.00** | **$375,985.25** | |
| ***Operation Line Report*** | | | $0.00 | -$56,103.85 | -$34,624.90 | -$90,728.75 | |

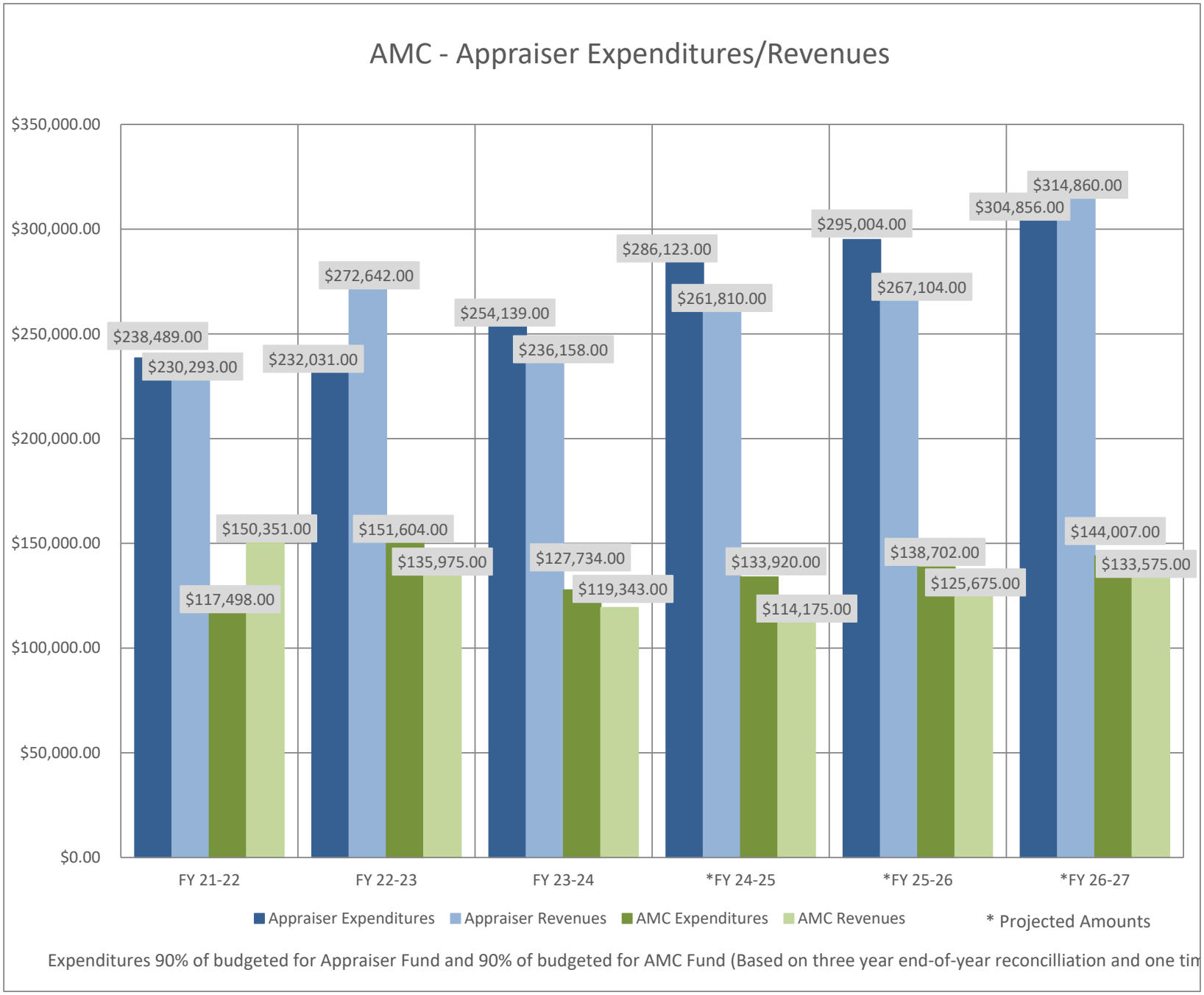
| | | | |
|---|---|---|---|
| App FY Expenditures/Revenue w/ Expenditures at 90% of Budgeted ($286,123.00): | -$24,312.75 | | |
| AMC FY Expenditures/Revenue w/ Expenditures at 90% of Budgeted ($133,920.00): | | -$19,745.00 | |
| Total FY Expenditures/Revenue w/ Expenditures (base expenditures only ($420,043.00): | | | -$44,057.75 |

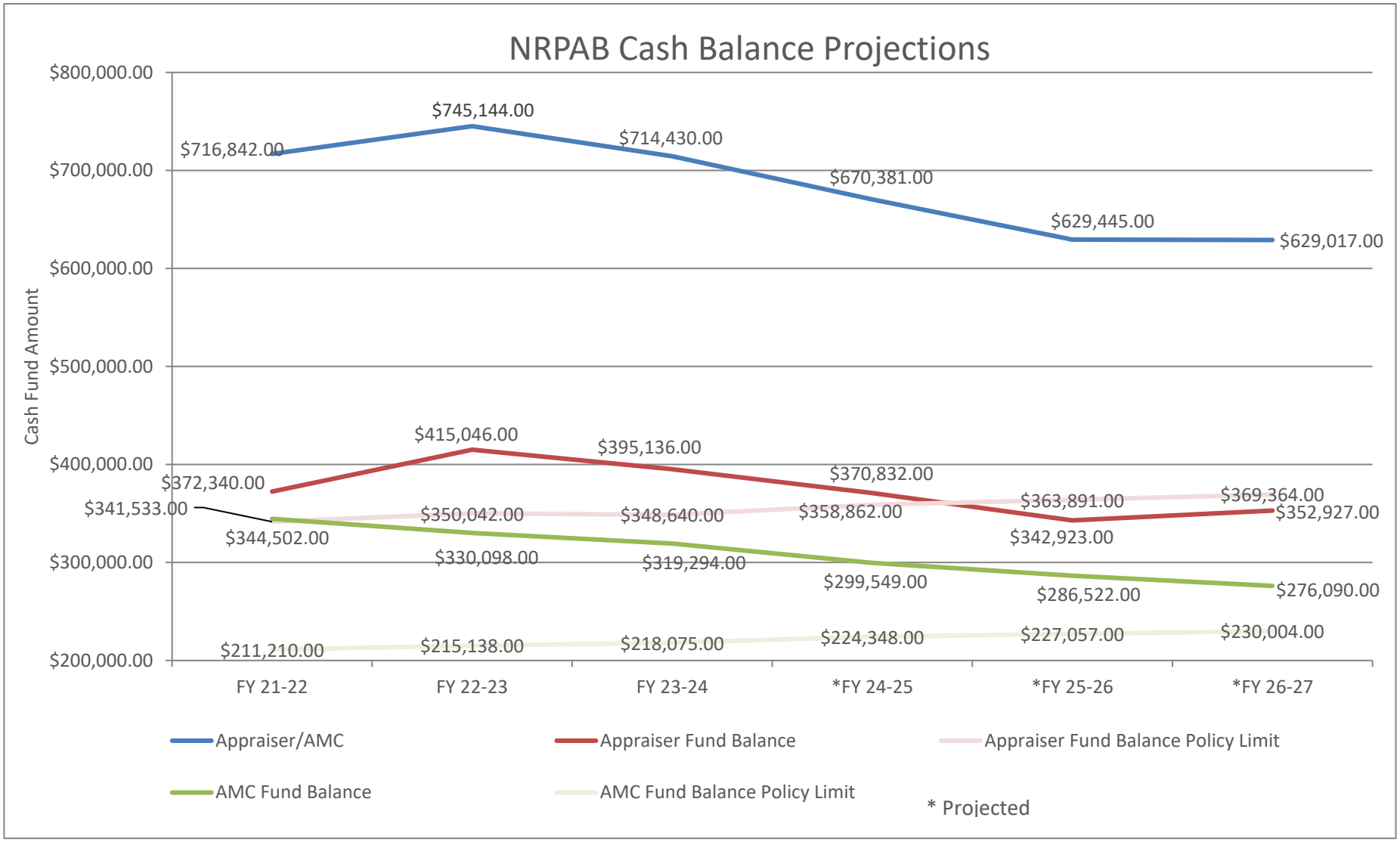
Appraiser/AMC Revenues



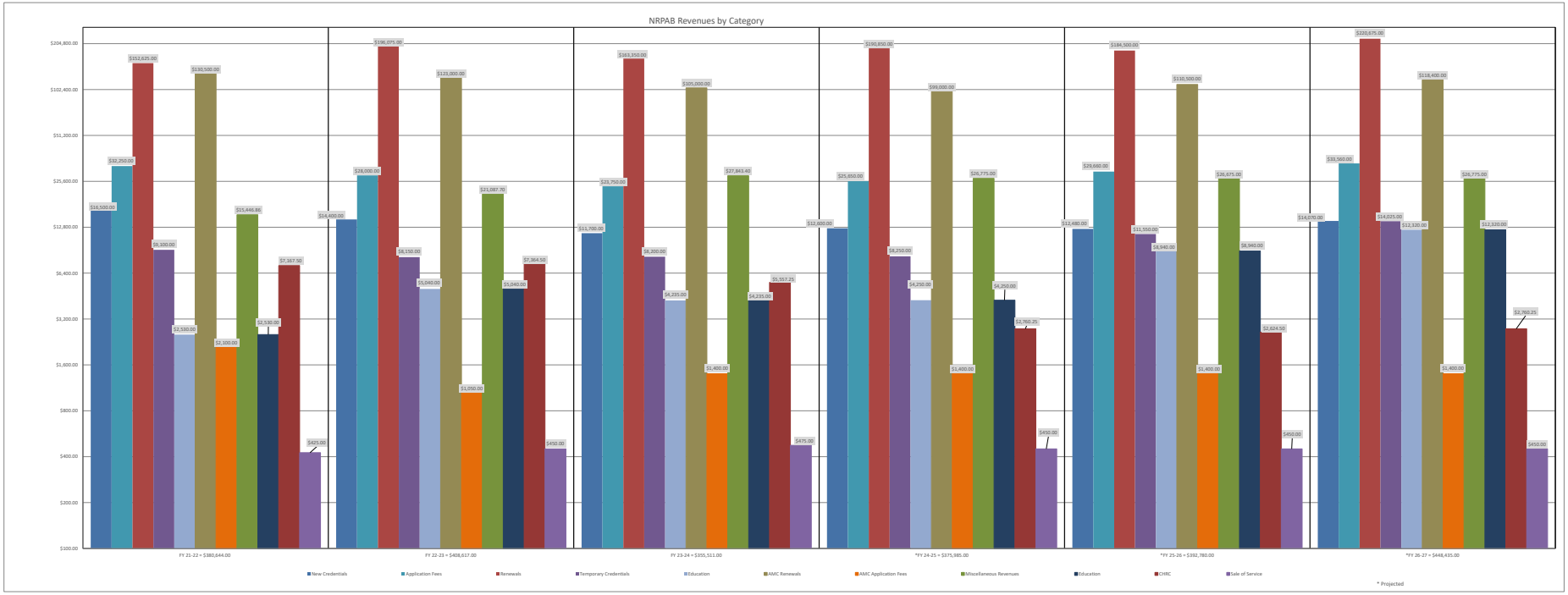

Expenditures 90% of budgeted for Appraiser Fund and 90% of budgeted for AMC Fund (Based on three year end-of-year reconcilliation and one time project expenditures).

Appraiser/AMC Revenues




NRPAB Cash Balance Projections
Cash Fund Amount
$800,000.00
$700,000.00
$600,000.00
$500,000.00
$400,000.00
$300,000.00
$200,000.00
$716,842.00
$745,144.00
$714,430.00
$670,381.00
$629,445.00
$629,017.00
$372,340.00
$415,046.00
$395,136.00
$370,832.00
$342,923.00
$352,927.00
$341,533.00
$344,502.00
$330,098.00
$319,294.00
$299,549.00
$286,522.00
$276,090.00
$211,210.00
$215,138.00
$218,075.00
$224,348.00
$227,057.00
$230,004.00
$350,042.00
$348,640.00
$358,862.00
$363,891.00
$369,364.00
FY 21-22
FY 22-23
FY 23-24
*FY 24-25
*FY 25-26
*FY 26-27
Appraiser/AMC
Appraiser Fund Balance
Appraiser Fund Balance Policy Limit
AMC Fund Balance
AMC Fund Balance Policy Limit
* Projected

# NRPAB Financial History/Projections



**76-2239. Investigations; authorized; disciplinary action; cease and desist order; complaint; procedure; hearing.**

(1) The board may, upon its own motion, and shall, upon the written complaint of any aggrieved person, cause an investigation to be made with respect to an alleged violation of the Real Property Appraiser Act. The board may revoke or suspend the credential or otherwise discipline a credential holder, revoke or suspend a qualifying or continuing education course or activity, deny any application, ~~or~~ issue a cease and desist order, or at the board's discretion, enter into a contingent dismissal agreement with remedial measures for any violation of the Real Property Appraiser Act. Any disciplinary action taken against a credentialed real property appraiser, including any action that limits a credentialed real property appraiser's ability to engage in real property appraisal practice, shall be reported to federal authorities as required by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. A successfully completed contingent dismissal agreement is not disciplinary action. Upon receipt of information indicating that a person may have violated any provision of the Real Property Appraiser Act, the board shall make an investigation of the facts to determine whether or not there is evidence of a violation. If technical assistance is required, the board may contract with or use qualified persons.

(2)(a) If an investigation indicates that a person may have violated a provision of the act, the board may offer the person an opportunity to voluntarily and informally discuss the alleged violation before the board. The board may enter into consent agreements, ~~or~~ negotiate settlements, or enter into contingent dismissal agreements.

(b) If an investigation indicates that a person not holding a credential under the act has violated a provision of the act, the board may issue a cease and desist order or refer the investigation to the appropriate county attorney for the consideration of formal charges.

(c) If an investigation indicates that a credential holder has violated a provision of the act, a formal complaint shall be prepared by the board and served upon the credential holder. The complaint shall require the credential holder to file an answer within thirty days of the date of service. In responding to a complaint, the credential holder may admit the allegations of the complaint, deny the allegations of the complaint, or plead otherwise. Failure to make a timely response shall be deemed an admission of the allegations of the complaint. Upon receipt of an answer to the complaint, the director or chairperson of the board shall set a date, time, and place for an administrative hearing on the complaint. The date of the hearing shall not be less than thirty nor more than one hundred twenty days from the date that the answer is filed unless such date is extended for good cause.

**Source:** Laws 1990, LB 1153, § 39; Laws 1991, LB 203, § 43; Laws 1994, LB 1107, § 40; Laws 2001, LB 162, § 31; Laws 2006, LB 778, § 61; Laws 2015, LB139, § 60; Laws 2020, LB808, § 84.

**76-3207. ~~Applicant for registration or renewal; o~~Ownership restrictions; fingerprint submission; criminal history record check; costs.**

(1) An ~~person applying for issuance of a registration or renewal of a registration~~ appraisal management company shall not:

(a) In whole or in part, directly or indirectly, be owned by any person who has had a real property appraiser credential or equivalent refused, denied, canceled, or revoked or who has surrendered a real property appraiser credential or equivalent in lieu of revocation in any jurisdiction for a substantive cause as determined by the board; and

(b) Be more than ten percent owned by a person who is not of good moral character, which for purposes of this section shall require that such person has not been convicted of, or entered a plea of nolo contendere to, a felony relating to the real property appraisal practice or any crime involving fraud, misrepresentation, or moral turpitude or failed to submit to a criminal history record check through the Nebraska State Patrol and the Federal Bureau of Investigation.

(2) For purposes of subdivision (1)(b) of this section, each individual owner of more than ten percent of an appraisal management company shall:

(a) At the time an application for issuance of a registration is made, submit two copies of legible ink-rolled fingerprint cards or equivalent electronic fingerprint submissions to the board for delivery to the Nebraska State Patrol in a form approved by both the Nebraska State Patrol and the Federal Bureau of Investigation;

(b) At the time an application for renewal of a registration is made, submit two copies of legible ink-rolled fingerprint cards or equivalent electronic fingerprint submissions to the board for delivery to the Nebraska State Patrol in a form approved by both the Nebraska State Patrol and the Federal Bureau of Investigation if a fingerprint-based national criminal history records check has not been completed pursuant to subdivision (2)(a) of this section; and

(c) At the time an individual owner of more than ten percent of an appraisal management company is identified by the board, submit two copies of legible ink-rolled fingerprint cards or equivalent electronic fingerprint submissions to the board for delivery to the Nebraska State Patrol in a form approved by both the Nebraska State Patrol and the Federal Bureau of Investigation if a fingerprint-based national criminal history records check has not been completed pursuant to subdivision (2)(a) or (2)(b) of this section.

(3) The board shall pay the Nebraska State Patrol the costs associated with conducting a fingerprint-based national criminal history record check through the Nebraska State Patrol and the Federal Bureau of Investigation with such record check to be carried out by the board.

(4) For the purpose of subdivision (1)(a) of this section, a person is not barred from issuance of a registration if the real property appraiser credential or equivalent of the person with an ownership interest was not refused, denied, canceled, revoked, or surrendered in lieu of revocation for a substantive cause as determined by the board and has been reinstated by the jurisdiction in which the action was taken.

**Source:**Laws 2011, LB410, § 7; Laws 2018, LB17, § 10; Laws 2020, LB808, § 91; Laws 2024, LB989, § 8.
**Effective Date: July 19, 2024**

**76-3216. Prohibited acts; board; violations; enforcement actions; fine; considerations; report required.**

(1) It is unlawful for a person to directly or indirectly engage in or attempt to engage in business as an appraisal management company or to advertise or hold itself out as engaging in or conducting business as an appraisal management company in this state without first obtaining a registration or by meeting the requirements as a federally regulated appraisal management company.

(2) Except as provided in section 76-3204, any person who, directly or indirectly for another, offers, attempts, or agrees to perform all actions described in subdivision (6) of section 76-3202 or any action described in subdivision (7) of such section, shall be deemed an appraisal management company within the meaning of the Nebraska Appraisal Management Company Registration Act, and such action shall constitute sufficient contact with this state for the exercise of personal jurisdiction over such person in any action arising out of the act.

(3) The board may issue a cease and desist order against any person who violates this section by performing any action described in subdivision (6) or (7) of section 76-3202 without the appropriate registration. Such order shall be final ten days after issuance unless such person requests a hearing pursuant to section 76-3217. The board may, through the Attorney General, obtain an order from the district court for the enforcement of the cease and desist order.

(4) To the extent permitted by any applicable federal legislation or regulation, the board may censure an appraisal management company, conditionally or unconditionally suspend or revoke its registration, ~~or~~ levy fines or impose civil penalties not to exceed five thousand dollars for a first offense and not to exceed ten thousand dollars for a second or subsequent offense, or at the board's discretion, enter into a contingent dismissal agreement with remedial measures if the board determines that an appraisal management company is attempting to perform, has performed, or has attempted to perform any of the following:

(a) A material violation of the act;

(b) A violation of any rule or regulation adopted and promulgated by the board; or

(c) Procurement of a registration for itself or any other person by fraud, misrepresentation, or deceit.

(5) In order to promote voluntary compliance, encourage appraisal management companies to correct errors promptly, and ensure a fair and consistent approach to enforcement, the board shall endeavor to impose fines or civil penalties that are reasonable in light of the nature, extent, and severity of the violation. The board shall also take action against an appraisal management company's registration only after less severe sanctions have proven insufficient to ensure behavior consistent with the Nebraska Appraisal Management Company Registration Act. When deciding whether to impose a sanction permitted by subsection (4) of this section, determining the sanction that is most appropriate

in a specific instance, or making any other discretionary decision regarding the enforcement of the act, the board shall consider whether an appraisal management company:

(a) Has an effective program reasonably designed to ensure compliance with the act;

(b) Has taken prompt and appropriate steps to correct and prevent the recurrence of any detected violations; and

(c) Has independently reported to the board any significant violations or potential violations of the act prior to an imminent threat of disclosure or investigation and within a reasonably prompt time after becoming aware of the occurrence of such violations.

(6) Any violation of appraisal-related laws or rules and regulations, and disciplinary action taken against an appraisal management company, shall be reported to the Appraisal Subcommittee as required by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, the AMC rule, and any policy or rule established by the Appraisal Subcommittee. A successfully completed contingent dismissal agreement is not disciplinary action.

**Source:** Laws 2011, LB410, § 16; Laws 2018, LB17, § 17; Laws 2019, LB77, § 15; Laws 2024, LB989, § 9.
**Effective Date: July 19, 2024**

# TITLE 298 NAC - NEBRASKA REAL PROPERTY APPRAISER BOARD

## CHAPTER 1 - GENERAL PROVISIONS

**001** Definitions of terms used in this Title, unless the context otherwise requires, are stated in the Real Property Appraiser Act, NEB. REV. STAT. § 76-2201 et. seq.; (hereinafter referred to as the Act ), the Appraisal Management Company Registration Act, NEB. REV. STAT. § 76-3201 et. seq. (hereinafter referred to as the AMC Act ), and/or the Uniform Standards of Professional Appraisal Practice, and the definitions as follows:

001.01 Activity means any real property appraiser related education offering.

001.02 Automated Valuation Model means any computer software program that analyzes data using an automated process. The program may use regression, adaptive estimation, neural networking, expert reasoning, and/or artificial intelligence.

001.02A An automated valuation model is a tool that delivers an estimation or calculation, and is not in itself an appraisal under NEB. REV. STAT. § 76-2204, or by itself a report under NEB. REV. STAT. § 76-2216.02. If the output from an automated valuation model is communicated as an analysis, conclusion, or opinion of value concerning identified real estate or identified real property that implies the exercise of judgment to the client, intended user, or the public by any person not exempt under NEB. REV. STAT. § 76-2221, the analysis, conclusion, or opinion of value is an appraisal under NEB. REV. STAT. § 76-2204 and communication of the analysis, conclusion, or opinion of value is a report under NEB. REV. STAT. § 76-2216.02.

001.03 Broker s price opinion means an analysis, opinion, or conclusion prepared by a person licensed under the Nebraska Real Estate License Act in the ordinary course of his or her business relating to the price of specified interests in or aspects of identified real estate or identified real property for the purpose of (a) listing, purchase, or sale; (b) originating, extending, renewing, or modifying a loan in a transaction other than a federally related transaction; or (c) real property tax appeals.

001.04 Classroom education means any activity delivered in a setting where there is no geographical separation between the instructor(s) and student(s).

001.05 Continuing education means any real property appraisal practice related activity creditable towards the renewal of a credential issued under the Act.

001.06 Core curriculum means those qualifying education courses adopted in the Real Property Appraiser Qualification Criteria by the Appraiser Qualifications Board of The Appraisal Foundation as required core curriculum for credentialing as a real property appraiser. Core curriculum does not include appraisal subject matter electives.

001.07 Course means a qualifying education activity, continuing education activity, or supervisory real property appraiser and trainee activity that includes student material, instructor material, learning objectives, a timed outline, a matrix if applicable, and a final exam if applicable. Course does not include an activity offered in a conference setting.

001.08 Distance education means any activity based on the geographical separation of student and instructor. Components of distance education include synchronous, asynchronous, and hybrid.

001.08A Synchronous means the instructor and students interact simultaneously online, similar to a phone call, video chat or live webinar, or web-based meeting.

001.08B Asynchronous means the instructor and student interaction is non-simultaneous; the student progresses at his or her own pace and follows a structured content and quiz/exam schedule.

001.08C Hybrid means the learning environment allows for classroom, synchronous, and/or asynchronous interaction.

001.09 Qualifying education means any real property appraisal practice related education activity creditable towards obtaining a credential as a real property appraiser.

~~001.10 Secondary provider means any education provider that purchases rights to, or otherwise lawfully acquires from another education provider, activity materials to deliver.~~

001.10~~1~~ Real property appraiser-in-charge means the real property appraiser engaged in real property appraisal practice within the scope

of real property appraisal practice for his or her classification, responsible for the significant real property appraisal practice assistance provided by an applicant in the case of a licensed residential real property appraiser or certified residential real property appraiser obtaining real property appraisal practice experience outside of the scope of practice of their current classification.

001.11 Secondary provider means any education provider that purchases rights to, or otherwise lawfully acquires from another education provider, activity materials to deliver.

001.12 True copy of report and workfile means any report and/or workfile submitted to the Board is an exact duplicate of the report submitted to the client, as well as the exact duplicate of the workfile associated with such report, including the quality and clarity of the print, charts, graphs, examples, photos, and any information referenced by this Title, and including organization and presentation of materials.

**002** This Title applies to all persons engaged in real property appraisal practice in the State of Nebraska, and all persons conducting business as an appraisal management company in the State of Nebraska.

**003** The current edition of the Uniform Standards of Professional Appraisal Practice is adopted as the minimum standards governing real property appraisal practice in the State of Nebraska. A copy of such standards will be supplied with the issuance of each new real property appraiser credential, and with renewal of each real property appraiser credential. A copy of the Uniform Standards of Professional Appraisal Practice is on file and available for public inspection in the office of the Real Property Appraiser Board and may be examined in the office of the Secretary of State.

**004** Each credential holder is required to notify the Board in writing within ten (10) days of any change of his or her place of business, which includes business name, address, phone number, and electronic mail address.

**005** No advertisement by a credential holder in the State of Nebraska may use a name of a credential holder, classification of credentialing, or credential holder identification number, other than as stated on the real property appraiser s credentialing card issued by the Board; and any advertisement stating an address is required to state the principal place of business as provided by the real property appraiser to the Board.

**006** A certified real property appraiser who is approved by the Board as a

supervisory real property appraiser, and is currently acting in a supervisory capacity for one or more trainee real property appraiser(s), may advertise him or herself as a supervisory real property appraiser, and may include the name of any trainee real property appraiser(s) that he or she is overseeing in a supervisory capacity, as long as the advertisement clearly identifies such person as a trainee real property appraiser. Trainee real property appraisers may not otherwise advertise.

**007** Specialized knowledge means an advanced level of expertise obtained through education and experience with respect to a specific subject matter that includes an advanced understanding of the principles, practices, procedures, and methods applicable to the subject matter, as well as the ability to apply such expertise to a problem requiring an expertise that a real property appraiser could only obtain through equivalent education and experience.

**008** Salaried employee means any individual who is employed to perform services on behalf of an employer and whose compensation for the services is in the form of salary, or its equivalent, paid by the employer. Employee does not include an independent contractor.

**009** Each appraisal management company shall maintain a detailed record of appraisal management services provided under its registration. The detailed record includes, at minimum, the following information as applicable:

(1) Copy of contract or agreement, which includes date of agreement with AMC appraiser to provide valuation services,

(2) Name of client and intended user(s),

(3) Name and credential number of AMC appraiser,

(4) Documentation verifying AMC appraiser s standing at the time of agreement,

(5) Address(es) of the property(ies) that is/are the subject of the appraisal management services,

(6) Fees paid to the AMC appraiser,

(7) Date of service completion,

(8) Date payment-in-full was made to the AMC appraiser,

(9) Copy of all communication between AMC appraiser and appraisal management company,

(10) Proof that appraisal management company requires AMC appraiser to comply with USPAP,

(11) AMC appraiser s signed consent to any subsequent, specified report modifications made by the appraisal management company,

(12) Record of quality control or USPAP compliance, and

(13) All original or revised copies of subject report as submitted.

**010** Any person who alleges damage by a violation of the AMC Act may file a claim against a surety bond held by an appraisal management company registered in Nebraska. Such request will be in writing, and address the following items:

(1) Name and contact information of requester,

(2) Name, contact information, and Nebraska registration number of appraisal management company,

(3) Address of property subject of request,

(4) Date real property appraisal practice assignment was offered,

(5) Date report was submitted,

(6) Amount owed for valuation services rendered, and

(7) Description of attempts to rectify the matter. Any documentation in support of the request may be submitted along with the written request.

**011** Each appraisal management company shall furnish to the ~~b~~Board, at the time of making application, a surety bond in the amount of twenty-five thousand dollars. The surety bond is required to be maintained until one year after the date that the appraisal management company ceases operation in this state, which is the date on which the registration expires or the date on which the appraisal management company s request to surrender its registration is formally accepted.

## 012 ADMINISTRATIVE FEES

012.01 The fee for a Certificate of Registration required under the Nebraska Professional Corporation Act is $25.00.

## 013 OCCUPATIONAL BOARD REFORM ACT~~APPLICATION FOR PRELIMINARY CRIMINAL HISTORY REVIEW~~

013.01 As applicable, the Board shall~~Pursuant to~~ apply the Occupational Board Reform Act, NEB. REV. STAT. § 84-~~9~~347 et. seq., when administering and enforcing this Title~~ preliminary criminal history review will be performed by the Board to determine whether an individual's criminal conviction(s) would disqualify the individual from obtaining a credential as a Nebraska Real Property Appraiser, or from being a more than 10% owner of an Appraisal Management Company (AMC)~~.

~~013.02 Any applicant for the preliminary criminal history review must submit:~~

~~013.02A An application on a form approved by the Board;~~

~~013.02B A written statement that details information regarding individual s current circumstances, including the time since the offense, completion of the criminal sentence, rehabilitation efforts, employment history, and employment aspirations;~~

~~013.02C Any documentation in support of individual s written statement, including court records, communication and documentation related to the completion of the criminal sentence, evidence of rehabilitation, and testimonials; and~~

~~013.02D A non-refundable application fee of $50.00.~~

~~013.03 Only the information provided by the applicant will be reviewed by the Board. The preliminary criminal history review is not a criminal history record check, or an application for credentialing as a real property appraiser or for registration as an AMC.~~

~~013.04 A determination will be issued by the Board in writing within ninety days after receiving an application for preliminary criminal history review. If the Board determines that the individual's criminal conviction(s) would disqualify the individual, the Board may advise the~~

~~individual of any action the individual may take to remedy the disqualification.~~

~~013.05 If the Board finds that the individual has been convicted of one or more subsequent criminal convictions, the Board may rescind a determination upon finding that the subsequent criminal conviction(s) would be disqualifying.~~

**TITLE 298 - NEBRASKA REAL PROPERTY APPRAISER BOARD**

**CHAPTER 2 - REAL PROPERTY APPRAISER CREDENTIAL**

**001 EDUCATION**

To qualify for a credential as a trainee real property appraiser, licensed residential real property appraiser, certified residential real property appraiser, or certified general real property appraiser, an applicant must complete post-secondary education and qualifying education requirements established for each classification.

001.01 Trainee real property appraiser/supervisory real property appraiser

001.01A Pursuant to NEB. REV. STAT. § 76-2228.01 (1)(~~c~~b), an applicant for the trainee real property appraiser credential must:

001.01A.1a If submitting an application on or before December 31, 2025, ~~S~~successfully complete a minimum of 75 hours in ~~b~~Board-approved courses of study, which includes at least:

(1) The 15-hour National Uniform Standards of Professional Appraisal Practice Course,

(2) 30 hours of basic appraisal principles, and

(3) 30 hours of basic appraisal procedures; or

001.01A.1b If submitting an application after December 31, 2025, successfully complete a minimum of 83 hours in Board-approved courses of study, which includes at least:

(1) The 15-hour National Uniform Standards of Professional Appraisal Practice Course,

(2) 30 hours of basic appraisal principles,

(3) 30 hours of basic appraisal procedures, and

(4) 8 hours of valuation bias and fair housing laws and regulations; or

001.01A.2 Hold a degree in real estate from an accredited

degree-awarding college or university that has had all or part of its curriculum approved by the Appraiser Qualifications Board as meeting qualifying education requirements, or the equivalent as determined by the Appraiser Qualifications Board. If said degree or equivalent does not satisfy all required qualifying education for credentialing, the remaining hours shall be completed in ~~b~~Board-approved qualifying education.

001.01B An applicant for the trainee real property appraiser credential must provide a completion document evidencing that a ~~b~~Board-approved supervisory real property appraiser and trainee course has been successfully completed within one year immediately preceding the date of application.

001.01C An applicant for approval as a supervisory real property appraiser must provide a completion document evidencing that a ~~b~~Board-approved supervisory real property appraiser and trainee course has been successfully completed at the time the applicant was a certified real property appraiser. A certified real property appraiser disciplined by the Board or any other appraiser regulatory agency in another jurisdiction, which may or may not have limited the real property appraiser s legal eligibility to engage in real property appraisal practice, is required to provide a completion document evidencing that a ~~b~~Board-approved supervisory real property appraiser and trainee course was successfully completed after the successful completion of the most recent disciplinary action. The ~~b~~Board-approved supervisory real property appraiser and trainee course may be completed as a student or as an instructor.

001.01D Supervisory Real Property Appraiser and Trainee Course Completed in Another Jurisdiction

001.01D.1 The Board may accept a classroom education supervisory real property appraiser and trainee course completed in another jurisdiction if, at the time that the supervisory real property appraiser and trainee course was completed, the course:

001.01D.1a Is approved as a supervisory real property appraiser and trainee course by the jurisdiction in which it was completed; and

001.01D.1b Meets or exceeds the requirements for approval as a supervisory real property appraiser and trainee course as established in the Real Property Appraiser Qualifications Criteria adopted and promulgated by the Appraiser Qualifications Board of The Appraisal Foundation.

001.01D.2 The Board may accept a distance education supervisory real property appraiser and trainee course completed in another jurisdiction if, at the time the supervisory real property appraiser and trainee course was completed, the course:

001.01D.2a Is approved as a supervisory real property appraiser and trainee course by the jurisdiction in which the applicant is a legal resident, or is approved as a supervisory real property appraiser and trainee course by a jurisdiction in which the applicant is credentialed as verified through the Appraiser Registry of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council; and

001.01D.2b Meets or exceeds the requirements for approval as a supervisory real property appraiser and trainee course as established in the Real Property Appraiser Qualifications Criteria adopted and promulgated by the Appraiser Qualifications Board of The Appraisal Foundation.

001.01E If a trainee real property appraiser applicant, or a supervisory real property appraiser applicant, submits a supervisory real property appraiser and trainee course completed in another jurisdiction for consideration of acceptance by the Board, the applicant is required to meet the requirements specified in Section 001.01B or 001.01C of this Chapter.

001.02 Licensed Residential Real Property Appraiser

001.02A Pursuant to NEB. REV. STAT. § 76-2230 (1)(b), an applicant for the licensed residential real property appraiser credential must:

001.02A.1a If submitting an application on or before December

31, 2025, ~~S~~successfully complete a minimum of 150 hours in ~~b~~Board-approved courses of study, which includes at least:

(1) The 15-hour National Uniform Standards of Professional Appraisal Practice Course,

(2) 30 hours of basic appraisal principles,

(3) 30 hours of basic appraisal procedures,

(4) 15 hours of market analysis and highest and best use,

(5) 15 hours of appraiser site valuation and cost approach,

(6) 30 hours of sales comparison and income approaches, and

(7) 15 hours of report writing and case studies; or

001.02A.1b If submitting an application after December 31, 2025, successfully complete a minimum of 158 hours in Board-approved courses of study, which includes at least:

(1) The 15-hour National Uniform Standards of Professional Appraisal Practice Course,

(2) 30 hours of basic appraisal principles,

(3) 30 hours of basic appraisal procedures,

(4) 15 hours of market analysis and highest and best use,

(5) 15 hours of appraiser site valuation and cost approach,

(6) 30 hours of sales comparison and income approaches,

(7) 15 hours of report writing and case studies, and

(8) 8 hours of valuation bias and fair housing laws and regulations; or

001.02A.2 Hold a degree in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved by the Appraiser Qualifications Board

as meeting qualifying education requirements, or the equivalent as determined by the Appraiser Qualifications Board. If said degree or equivalent does not satisfy all required qualifying education for credentialing, the remaining hours shall be completed in ~~b~~Board-approved qualifying education.

001.02B A trainee real property appraiser may upgrade to the licensed residential real property appraiser credential by~~satisfying the appropriate qualifying education for the classification below~~:

001.02B.1 Pursuant to NEB. REV. STAT. § 76-2228.01 (4)(a),~~a trainee real property appraiser must~~ successfully completinge a minimum of 75 hours in the following ~~b~~Board-approved courses of study, or hold a degree in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved as meeting qualifying education requirements or the equivalent as determined by the Appraiser Qualifications Board. If said degree or equivalent does not satisfy all required qualifying education for credentialing, the remaining hours shall be completed in ~~b~~Board-approved qualifying education:

(1) 15 hours of market analysis and highest and best use,

(2) 15 hours of appraiser site valuation and cost approach,

(3) 30 hours of sales comparison and income approaches, and

(4) 15 hours of report writing and case studies.

001.03 Certified Residential Real Property Appraiser

001.03A Pursuant to NEB. REV. STAT. § 76-2231.01 (1)(d), an applicant for the certified residential real property appraiser credential must:

001.03A.1a If submitting an application on or before December 31, 2025, ~~S~~successfully complete a minimum of 200 hours in ~~b~~Board-approved courses of study, which includes at least:

(1) The 15-hour National Uniform Standards of Professional Appraisal Practice Course,

(2) 30 hours of basic appraisal principles,

(3) 30 hours of basic appraisal procedures,

(4) 15 hours of market analysis and highest and best use,

(5) 15 hours of appraiser site valuation and cost approach,

(6) 30 hours of sales comparison and income approaches,

(7) 15 hours of report writing and case studies,

(8) 15 hours of statistics, modeling, and finance,

(9) 15 hours of advanced applications and case studies, and

(10) 20 hours of appraisal subject matter electives; or

001.03A.1b If submitting an application after December 31, 2025, successfully complete a minimum of 200 hours in Board-approved courses of study, which includes at least:

(1) The 15-hour National Uniform Standards of Professional Appraisal Practice Course,

(2) 30 hours of basic appraisal principles,

(3) 30 hours of basic appraisal procedures,

(4) 15 hours of market analysis and highest and best use,

(5) 15 hours of appraiser site valuation and cost approach,

(6) 30 hours of sales comparison and income approaches,

(7) 15 hours of report writing and case studies,

(8) 15 hours of statistics, modeling, and finance,

(9) 15 hours of advanced applications and case studies,

(10) 8 hours of valuation bias and fair housing laws and regulations, and

(11) 12 hours of appraisal subject matter electives; or

001.03A.2 Hold a degree in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved as meeting qualifying education requirements or the equivalent as determined by the Appraiser Qualifications Board. If said degree or equivalent does not satisfy all required qualifying education for credentialing, the remaining hours shall be completed in ~~b~~Board-approved qualifying education.

001.03B One quarter hour credit is equivalent to .67 semester credit hours for college-level courses taken in a quarterly system versus a semester system.

001.03C Pursuant to NEB. REV. STAT. § 76-2231.01 (1)(b), in order to assist the Board with its evaluation of the applicant s college-level courses, the applicant may be required to submit copies of course related materials.

001.03D A trainee real property appraiser may upgrade to the certified residential real property appraiser credential by:

001.03D.1 Satisfying the post-secondary education requirements in NEB. REV. STAT. § 76-2231.01 (1)(b), or (1)(b) and (c) if applicable; and

001.03D.2 Pursuant to NEB. REV. STAT. § 76-2228.01 (5)(b);

001.03D.2a If submitting an application on or before December 31, 2025, successfully completing a minimum of 125 hours in the following ~~b~~Board-approved courses of study, or holding a degree in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved as meeting qualifying education requirements or the equivalent as determined by the Appraiser Qualifications Board. If said degree or equivalent does not satisfy all required qualifying education for credentialing, the remaining hours shall be completed in ~~b~~Board-approved qualifying education:

(1) 15 hours of market analysis and highest and best use,

(2) 15 hours of appraiser site valuation and cost approach,

(3) 30 hours of sales comparison and income approaches,

(4) 15 hours of report writing and case studies,

(5) 15 hours of statistics, modeling, and finance,

(6) 15 hours of advanced applications and case studies, and

(7) 20 hours of appraisal subject matter electives~~.~~; or

001.03D.2b If submitting an application after December 31, 2025, successfully completing a minimum of 117 hours in the following Board-approved courses of study, or holding a degree in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved as meeting qualifying education requirements or the equivalent as determined by the Appraiser Qualifications Board. If said degree or equivalent does not satisfy all required qualifying education for credentialing, the remaining hours shall be completed in Board-approved qualifying education:

(1) 15 hours of market analysis and highest and best use,

(2) 15 hours of appraiser site valuation and cost approach,

(3) 30 hours of sales comparison and income approaches,

(4) 15 hours of report writing and case studies,

(5) 15 hours of statistics, modeling, and finance,

(6) 15 hours of advanced applications and case studies, and

(7) 12 hours of appraisal subject matter electives.

001.03E A licensed real property appraiser may upgrade to the certified residential real property appraiser credential by:

001.03E.1 Satisfying one of the following:

001.03E.1a Having held a credential as a licensed real property appraiser for a minimum of five years, and having not been subject to a nonappealable disciplinary action by the Board or any other jurisdiction as specified in NEB. REV. STAT. § 76-2230 (3)(a)(ii)(B); or

001.03E.1b Meeting ~~T~~the post-secondary education requirements in NEB. REV. STAT. § 76-2231.01 (1)(b), or (1)(b) and (c) if applicable; and

001.03E.2 Pursuant to NEB. REV. STAT. § 76-2230 (3)(b);

001.03E.2a If submitting an application on or before December 31, 2025, successfully completing a minimum of 50 hours in the following ~~b~~Board-approved courses of study, or holding a degree in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved as meeting qualifying education requirements or the equivalent as determined by the Appraiser Qualifications Board. If said degree or equivalent does not satisfy all required qualifying education for credentialing, the remaining hours shall be completed in ~~b~~Board-approved qualifying education:

(1) 15 hours of statistics, modeling, and finance;

(2) 15 hours of advanced applications and case studies; and

(3) 20 hours of appraisal subject matter electives~~.~~; or

001.03E.2b If submitting an application after December 31, 2025, successfully complete a minimum of 42 hours in the following Board-approved courses of study, or holding a degree in real estate from an accredited degree-awarding college or university that has had all or part of its

curriculum approved as meeting qualifying education requirements or the equivalent as determined by the Appraiser Qualifications Board. If said degree or equivalent does not satisfy all required qualifying education for credentialing, the remaining hours shall be completed in Board-approved qualifying education:

(1) 15 hours of statistics, modeling, and finance;

(2) 15 hours of advanced applications and case studies; and

(3) 12 hours of appraisal subject matter electives.

001.04 Certified General Real Property Appraiser

001.04A Pursuant to NEB. REV. STAT. § 76-2232 (1)(d), an applicant for the certified general real property appraiser credential must:

001.04A.1a If submitting an application on or before December 31, 2025, ~~S~~successfully complete a minimum of 300 hours in ~~b~~Board-approved courses of study, which includes at least:

(1) The 15-hour National Uniform Standards of Professional Appraisal Practice Course,

(2) 30 hours of basic appraisal principles,

(3) 30 hours of basic appraisal procedures,

(4) 30 hours of general appraiser market analysis and highest and best use,

(5) 30 hours of general appraiser site valuation and cost approach,

(6) 30 hours of general appraiser sales comparison approach,

(7) 60 hours of general appraiser income approach,

(8) 30 hours of general appraiser report writing and case studies,

(9) 15 hours of statistics, modeling, and finance, and

(10) 30 hours of appraisal subject matter electives; or

001.04A.1b If submitting an application after December 31, 2025, successfully complete a minimum of 300 hours in Board-approved courses of study, which includes at least:

(1) The 15-hour National Uniform Standards of Professional Appraisal Practice Course,

(2) 30 hours of basic appraisal principles,

(3) 30 hours of basic appraisal procedures,

(4) 30 hours of general appraiser market analysis and highest and best use,

(5) 30 hours of general appraiser site valuation and cost approach,

(6) 30 hours of general appraiser sales comparison approach,

(7) 60 hours of general appraiser income approach,

(8) 30 hours of general appraiser report writing and case studies,

(9) 15 hours of statistics, modeling, and finance,

(10) 8 hours of valuation bias and fair housing laws and regulations, and

(11) 22 hours of appraisal subject matter electives; or

001.04A.2 Hold a degree in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved by the Appraiser Qualifications Board as meeting qualifying education requirements, or the equivalent as determined by the Appraiser Qualifications Board. If said degree or equivalent does not satisfy all required qualifying education for credentialing, the remaining hours shall be completed in ~~b~~Board-approved qualifying education.

001.04B A trainee real property appraiser may upgrade to the certified general real property appraiser credential by:

001.04B.1 ~~s~~Satisfying the post-secondary education requirements in NEB. REV. STAT. § 76-2232 (1)(b), or (1)(b) and (c) if applicable; and ~~the appropriate qualifying education for the classification below:~~

001.04B.~~1~~2 Pursuant to NEB. REV. STAT. § 76-2228.01 (6)(b):

001.04B.2a If submitting an application on or before December 31, 2025, ~~a trainee real property appraiser must~~ successfully completinge a minimum of 225 hours in the following ~~b~~Board-approved courses of study, or hold a degree in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved as meeting qualifying education requirements or the equivalent as determined by the Appraiser Qualifications Board. If said degree or equivalent does not satisfy all required qualifying education for credentialing, the remaining hours shall be completed in ~~b~~Board-approved qualifying education:

(1) 30 hours of general appraiser market analysis and highest and best use,

(2) 30 hours of general appraiser site valuation and cost approach,

(3) 30 hours of general appraiser sales comparison approach,

(4) 60 hours of general appraiser income approach,

(5) 30 hours of general appraiser report writing and case studies,

(6) 15 hours of statistics, modeling, and finance, and

(7) 30 hours of appraisal subject matter electives~~.~~; or

001.04B.2b If submitting an application after December 31, 2025, successfully completing a minimum of 217 hours in

the following Board-approved courses of study, or hold a degree in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved as meeting qualifying education requirements or the equivalent as determined by the Appraiser Qualifications Board. If said degree or equivalent does not satisfy all required qualifying education for credentialing, the remaining hours shall be completed in Board-approved qualifying education:

(1) 30 hours of general appraiser market analysis and highest and best use,

(2) 30 hours of general appraiser site valuation and cost approach,

(3) 30 hours of general appraiser sales comparison approach,

(4) 60 hours of general appraiser income approach,

(5) 30 hours of general appraiser report writing and case studies,

(6) 15 hours of statistics, modeling, and finance, and

(7) 22 hours of appraisal subject matter electives.

001.04C A licensed residential real property appraiser may upgrade to the certified general real property appraiser credential by:

001.04C.1 Satisfying the post-secondary education requirements in NEB. REV. STAT. § 76-2232 (1) (b), or (1) (b) and (c) if applicable; and

001.04~~B~~C.2 Pursuant to NEB. REV. STAT. § 76-2230 (4)(b):

001.04C.2a If submitting an application on or before December 31, 2025, ~~a licensed residential real property appraiser must~~ successfully completing~~e~~ a minimum of 150 hours in the following ~~b~~Board-approved courses of study, or hold a degree in real estate from an accredited degree-awarding college or university that has had all or

part of its curriculum approved as meeting qualifying education requirements or the equivalent as determined by the Appraiser Qualifications Board. If said degree or equivalent does not satisfy all required qualifying education for credentialing, the remaining hours shall be completed in ~~b~~Board-approved qualifying education:

(1) 15 hours of general appraiser market analysis and highest and best use,

(2) 15 hours of general appraiser site valuation and cost approach,

(3) 15 hours of general appraiser sales comparison approach,

(4) 45 hours of general appraiser income approach,

(5) 15 hours of general appraiser report writing and case studies,

(6) 15 hours of statistics, modeling, and finance, and

(7) 30 hours of appraisal subject matter electives~~.~~; or

001.04C.2b If submitting an application after December 31, 2025, successfully completing a minimum of 142 hours in the following Board-approved courses of study, or hold a degree in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved as meeting qualifying education requirements or the equivalent as determined by the Appraiser Qualifications Board. If said degree or equivalent does not satisfy all required qualifying education for credentialing, the remaining hours shall be completed in Board-approved qualifying education:

(1) 15 hours of general appraiser market analysis and highest and best use,

(2) 15 hours of general appraiser site valuation and cost approach,

(3) 15 hours of general appraiser sales comparison approach,

(4) 45 hours of general appraiser income approach,

(5) 15 hours of general appraiser report writing and case studies,

(6) 15 hours of statistics, modeling, and finance, and

(7) 22 hours of appraisal subject matter electives.

001.04D A certified residential real property appraiser may upgrade to the certified general real property appraiser credential by:

001.04D.1 Satisfying the post-secondary education requirements in NEB. REV. STAT. § 76-2232 (1) (b), or (1) (b) and (c) if applicable; and

001.04~~B~~D.~~3~~2 Pursuant to NEB. REV. STAT. § 76-2231.01 (3) (b), ~~a certified residential real property appraiser must~~ successfully completinge~~e~~ a minimum of 100 hours in the following ~~b~~Board-approved courses of study, or hold a degree in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved as meeting qualifying education requirements or the equivalent as determined by the Appraiser Qualifications Board. If said degree or equivalent does not satisfy all required qualifying education for credentialing, the remaining hours shall be completed in ~~b~~Board-approved qualifying education:

(1) 15 hours of general appraiser market analysis and highest and best use,

(2) 15 hours of general appraiser site valuation and cost approach,

(3) 15 hours of general appraiser sales comparison approach,

(4) 45 hours of general appraiser income approach, and

(5) 10 hours of general appraiser report writing and case

studies.

001.05 An applicant for the trainee, licensed residential, certified residential, or certified general real property appraiser credential must provide evidence that the required qualifying education has been successfully completed. Each applicant will be required to furnish:

001.05A A document of completion for each qualifying education course; and/or

001.05B An official transcript from the university or college at which the applicant obtained a degree in real estate that has had all or part of its curriculum approved by the Appraiser Qualifications Board as meeting qualifying education requirements, or the equivalent as determined by the Appraiser Qualifications Board. Transcripts may be submitted in paper, or electronically through a secure site if the transcript is marked as official and the Board is provided access directions directly from the school.

001.06 Qualifying Education Completed in Another Jurisdiction

001.06A The Board may accept a classroom education qualifying education activity completed in another jurisdiction if, at the time the activity was completed, the qualifying education activity:

001.06A.1 Is approved as qualifying education by the jurisdiction in which it was completed; and

001.06A.2 Meets or exceeds the requirements for approval as a qualifying education activity as established in the Real Property Appraiser Qualifications Criteria adopted and promulgated by the Appraiser Qualifications Board of The Appraisal Foundation.

001.06B The Board may accept a distance education qualifying education activity completed in another jurisdiction if, at the time the activity was completed, the qualifying education activity:

001.06B.1 Is approved as qualifying education by the jurisdiction in which the applicant is a legal resident, or is approved as qualifying education by a jurisdiction in which the applicant is credentialed as verified through the Appraiser Registry of the Appraisal Subcommittee of the Federal

Financial Institutions Examination Council; and

001.06B.2 Meets or exceeds the requirements for approval as qualifying education activity as established in the Real Property Appraiser Qualifications Criteria adopted and promulgated by the Appraiser Qualifications Board of The Appraisal Foundation.

001.06C If the applicant submits a qualifying education activity completed in another jurisdiction for consideration of acceptance by the Board, the applicant will furnish a document of completion for the activity.

001.07 An applicant for the certified residential or certified general real property appraiser credential shall furnish an official transcript from the university, college, or community college as proof that the post-secondary education requirements have been met. Transcripts may be submitted in paper, or electronically through a secure site if the transcript is marked as official and the Board is provided access directions directly from the school.

## 002 EXPERIENCE

002.01 After January 1, 2014, real property appraisal practice experience obtained within the State of Nebraska, or as a resident of the State of Nebraska, for credentialing as a licensed residential, certified residential, or certified general real property appraiser must be acquired as a trainee real property appraiser, registered real property appraiser, licensed residential real property appraiser, certified residential real property appraiser, or certified general real property appraiser. This Section does not apply to participation in a PAREA program.

002.02 At the Board s discretion, up to ~~5~~100% of the real property appraisal practice experience required for credentialing as a licensed residential, certified residential, or certified general real property appraiser may be obtained in another jurisdiction. This real property appraisal practice experience may be accepted by the Board if the real property appraisal practice experience is compliant with Section 002 of this Chapter and the laws of the jurisdiction in which it was obtained.

002.03 An applicant s hours of real property appraisal practice experience submitted to the Board for review and determination of

acceptability shall:

002.03A Demonstrate the applicant s progressive responsibility in the development and reporting of assignment results, which includes analyzing factors that affect value, defining the problem, gathering and analyzing data, applying the appropriate analysis and methodology, arriving at an opinion, and correctly reporting the opinion; and

002.03B Be completed in compliance with the Uniform Standards of Professional Appraisal Practice.

002.04 An applicant must provide significant real property appraisal practice assistance for real property appraisal practice experience credit to be awarded. An applicant may apply his or her signature, along with the signature of the supervisory real property appraiser in the case that the applicant is a trainee real property appraiser, or the real property appraiser-in-charge in the case that the applicant is a licensed residential real property appraiser or a certified residential real property appraiser if applicable, to the appraisal certification; or the applicant must be given attribution in the assignment results report, which includes a description of the applicant s significant real property appraisal practice assistance.

002.05 Real property appraisal practice experience hours obtained in any manner considered exempt from the Real Property Appraiser Act per NEB. REV. STAT. § 76-2221 will not be credited to the applicant, unless the applicant and the supervisory real property appraiser in the case that the applicant is a trainee real property appraiser, or the real property appraiser-in-charge in the case that the applicant is a licensed residential real property appraiser or a certified residential real property appraiser if applicable, verifies that said real property appraisal practice experience is compliant with the Uniform Standards of Professional Appraisal Practice.

002.06 There need not be a client in a traditional sense (i.e., a client hiring a real property appraiser for a business purpose) in order for an assignment results report to qualify for real property appraisal practice experience. A practicum course approved by The Appraisal Foundation s Appraiser Qualifications Board s Course Approval Program may satisfy the non-traditional client real property appraisal practice experience requirement. Experience credit shall be granted for

the actual classroom hours of instruction and hours of documented research and analysis as awarded from the practicum course approval process.

002.07 Real property appraisal practice experience submitted to the Board for review and determination of acceptability may include no more than an aggregate maximum of 25% of the total number of real property appraisal practice experience hours in the following areas or a combination from the following areas:

(1) mass appraisal,

(2) appraisal review,

(3) appraisal consulting, or

(4) restricted appraisal reports.

002.08 Pursuant to NEB. REV. STAT. §§ 76-2230 (1)(~~d~~c), 76-2231.01 (1)(e), and 76-2232 (1)(e), an applicant for the licensed residential, certified residential, or certified general real property appraiser credential may provide a document of completion evidencing the successful completion of a PAREA program.

002.08A A document evidencing the successful completion of a PAREA program must include the name of PAREA program provider, evidence that PAREA program is approved by the Appraiser Qualifications Board, indicate that the type of PAREA program completed is either the licensed residential or the certified residential program, the name of the applicant, and a statement that the applicant successfully completed the PAREA program.

002.08B Except for hours of experience required to be in nonresidential appraisal work in NEB. REV. STAT. § 76-2232 (1)(e)(i), the following real property appraisal practice experience credit will be awarded for the successful completion of a PAREA program:

002.08B.1 For a licensed residential PAREA program, 100% of hours of experience required in NEB. REV. STAT. § 76-2230 (1)(~~d~~c)(i), and a period of six months experience; 67% of the hours of experience required in NEB. REV. STAT. § 76-2231.01 (1)(e)(i), and a period of six months experience; and 33% of the hours of experience required in NEB. REV. STAT. § 76-

2232 (1)(e)(i), and a period of six months experience.

002.08B.2 For a certified residential PAREA program, 100% of hours of experience required in NEB. REV. STAT. § 76-2230 (1)(~~d~~c)(i), and a period of six months experience; 100% of the hours of experience required in NEB. REV. STAT. § 76-2231.01 (1)(e)(i), and a period of twelve months experience; and 50% of the hours of experience required in NEB. REV. STAT. § 76-2232 (1)(e)(i), and a period of twelve months experience.

002.09 Each applicant for the licensed residential, certified residential, or certified general real property appraiser credential will furnish a log of his or her most recent real property appraisal practice experience claimed on a form approved by the Board.

002.09A The real property appraisal practice experience must be in chronological order on the log, and include an applicant signature, and the signature of the supervisory real property appraiser in the case that the applicant is a trainee real property appraiser, or the signature of the real property appraiser-in-charge in the case that the applicant is a licensed residential real property appraiser or certified residential real property appraiser if applicable, on each page. At a minimum, the real property appraisal practice experience log shall identify the following:

(1) The date the assignment results report was signed,

(2) Name of client and property identification, which includes a legal description or address,

(3) Description of real property appraisal practice as performed by the applicant,

(4) Description of the ~~S~~scope of supervisory real property appraiser review and direct supervision in the case that the applicant is a trainee real property appraiser, or description of the scope of review and direct supervision of the real property appraiser-in-charge in the case that the applicant is a licensed residential real property appraiser or certified residential real property appraiser if applicable,

(5) Type of property,

(6) Type of report,

(7) Approaches to value utilized,

(8) Verification that assignment results are compliant with the Uniform Standards of Professional Appraisal Practice,

(9) Verification that the assignment results report was for a traditional client or non-traditional client, and

(10) Number of hours worked by the applicant, and supervisory real property appraiser or real property appraiser-in-charge if applicable.

002.09B The real property appraisal practice experience log format in effect at the time application is made to the Board will be accepted, as well as any previously approved experience log formats in effect at the time the real property appraisal practice experience was obtained and recorded. All real property appraisal practice experience requirements in place at the time application is made to the Board are applicable regardless of the real property appraisal practice experience log format submitted.

002.09C A separate real property appraisal practice log shall be maintained by a trainee real property appraiser for each of his/her board-designated supervisory real property appraisers. It is the responsibility of both the supervisory real property appraiser and the trainee real property appraiser to ensure the log is accurate, current, and complies with the requirements of the Act and this Title. When the trainee real property appraiser is under the direct supervision of more than one supervisory real property appraiser while engaged in real property appraisal practice for an assignment, each log shall reflect the specific number of hours and description of work performed in that real property appraisal practice assignment with each supervisory real property appraiser.

002.10 A trainee real property appraiser is entitled to obtain copies of reports he or she has prepared and workfiles for those reports. The supervisory real property appraiser shall keep copies of reports for a period of five years, or at least two years after the final disposition of any judicial proceedings in which the real property appraiser provided testimony related to the real property appraisal practice assignment, whichever period expires last.

002.11 Pursuant to NEB. REV. STAT. §§ 76-2230 (1)(c)(i), 76-2231.01 (1)(e)(i), and 76-2232 (1)(e)(i), the aggregate number of real property appraisal practice experience hours considered for evaluation includes those hours reported on each real property appraisal practice experience log submitted by the applicant beginning at the log entry indicating the earliest date on which real property appraisal practice experience was obtained and ending on the date the application for credentialing as a licensed residential, certified residential, or certified general real property appraiser was signed by the applicant.

002.12 If the real property appraisal practice experience log submitted by the applicant is accepted, a representative sampling of real property appraisal practice experience submitted by the applicant on his or her real property appraisal practice experience log will be evaluated to determine if the real property appraisal practice experience meets the requirements of the Act and this Chapter.

002.12A A minimum of three reports will be selected from the real property appraisal practice experience log for review to qualify the real property appraisal practice experience. The following additional criteria are applied to the report selection for each classification~~level of credential~~:

002.12A.1 To qualify the real property appraisal practice experience of an applicant for the licensed residential real property appraiser credential, a minimum of three reports related to residential property will be selected.

002.12A.2 To qualify the real property appraisal practice experience of an applicant for the certified residential real property appraiser credential, a minimum of one report related to a two-to-four unit residential property, one report related to a residential property 0 to 20 years old, and one report related to a residential property 20 years or older will be selected. Two selected reports will include at least two approaches to value.

002.12A.3 To qualify the real property appraisal practice experience of an applicant for the certified general real property appraiser credential, a minimum of three reports related to income producing properties will be selected. Two selected reports will include all three approaches to value.

002.12B The applicant will be notified of the selected reports in writing, and will have 10 business days from the date of receipt of the notification to submit a true and accurate copy of each report to the Board s office.

002.12C At least one of the three requested reports will be, at a minimum, reviewed for conformity with the Uniform Standards of Professional Appraisal Practice. The Board may enter into a contract with a qualified disinterested third party certified real property appraiser for completion of an appraisal review assignment on any of the requested reports at no cost to the applicant.

002.13 Upon the receipt of appraisal review assignment results provided by one or more third party certified real property appraisers under contract with the Board, and the findings of the appraisal review assignment results are found to be null or insignificant by the director, an applicant s real property appraisal practice experience will be reviewed by a subcommittee consisting of two board members established by the Board for determination as to whether the applicant s real property appraisal practice experience is acceptable in accordance with the Act and this Chapter.

002.13A If the subcommittee finds that the applicant s real property appraisal practice experience meets the requirements of the Act and this Chapter, the subcommittee will notify the director of its decision. The subcommittee may authorize the director to notify the applicant of any appraisal review assignment results and issue a written advisory regarding any appraisal review assignment results.

002.13B If the subcommittee finds that the applicant may not meet one or more of the requirements of the Act or this Chapter, the application shall be placed before the Board for consideration.

002.14 If the Board determines an applicant may not meet the real property appraisal practice experience requirements, the applicant will be notified in writing. The Board may, at its discretion, request a written response from the applicant to the Board s findings as to the applicant s real property appraisal practice experience and/or invite the applicant to meet to discuss any deficiencies found in the report(s). Upon conclusion of the meeting, the Board may re-evaluate the applicant s real property appraisal practice experience.

002.14A If the applicant s real property appraisal practice experience is not acceptable to the Board, the Board may, at its own discretion, require the applicant to obtain additional education, and/or submit one or more supplemental real property appraisal practice experience logs with additional hours of real property appraisal practice experience, and/or submit one or more additional reports.

002.14A.1 If the Board requires the completion of additional education, the applicant will be notified of the conditions for the additional education in writing.

002.14A.2 If the Board requires the submission of one or more supplemental real property appraisal practice experience logs, the applicant will be notified of the conditions for the supplemental log(s) in writing. The Board may select a representative sampling of one or more additional report(s) for review from any supplemental log requested by the Board to qualify the real property appraisal practice experience. If the Board selects any additional report(s) from a supplemental log:

002.14A.2a The applicant will be notified of the Board selected report(s) in writing, and will have 10 business days from the date of receipt of the notification to submit a true copy of each report to the Board s office. The Board may require the applicant to submit additional details or to submit additional reports or file memoranda prepared by the applicant.

002.14A.2b Each additional report requested by the Board will be, at a minimum, reviewed for conformity with the Uniform Standards of Professional Appraisal Practice. At the Board s discretion, the Board may enter into a contract with a qualified disinterested third party certified real property appraiser for completion of an appraisal review assignment on any of the requested reports to assist the Board with its review. The applicant is responsible for any costs incurred by the Board for such review.

002.14A.3 If the Board requires submission of one or more additional reports, the applicant will be notified of the conditions for the additional report(s) in writing:

002.14A.3a Upon receipt of the requested report(s), the Board may require the applicant to submit additional details or to submit additional reports or file memoranda prepared by the applicant.

002.14A.3b Each additional report requested by the Board will be, at a minimum, reviewed for conformity with the Uniform Standards of Professional Appraisal Practice. At the Board s discretion, the Board may enter into a contract with a qualified disinterested third party certified real property appraiser for completion of an appraisal review assignment on any of the requested reports to assist the Board with its review. The applicant is responsible for any costs incurred by the Board for such review.

002.14B If the applicant s real property appraisal practice experience is not acceptable upon review of the additional education, supplemental real property appraisal practice experience log(s), and/or additional report(s), the Board may deny the application.

002.15 Verification of the applicant s real property appraisal practice experience may be obtained from other persons as needed, and the applicant may be required to submit additional details, reports or file memoranda.

002.16 When making a determination that an applicant may or may not meet the applicable real property appraisal practice experience requirements, all information received will be considered, including but not limited to real property appraisal practice experience logs, appraisal review reports, reports submitted by the applicant, any written responses received, any other details or file memoranda, any subsequent education requested by the Board to be completed by the applicant, and any information obtained during an informal meeting between the Board or its representative(s) and the applicant. An appraisal review report completed to assist the Board with its evaluation of the applicant s experience is not the sole factor in the Board s decision, but a tool utilized by the Board to assist with its decision.

## 003 EXAMINATION

Each applicant for the licensed residential, certified residential, or certified

general real property appraiser credential shall pass the National Uniform Licensing and Certification Examination, as developed and approved by the Appraiser Qualifications Board of The Appraisal Foundation, prior to being issued a credential by the Board.

003.01 The Board may enter into contract with one or more Appraiser Qualifications Board-approved administrators for the National Uniform Licensing and Certification Examination. The format, content, method of administration of examinations, and passing standards, are determined by the Board. The date, time, and location for examinations are established by the test administrators.

003.02 Any applicant for the licensed residential, certified residential, or certified general real property appraiser credential may sit for the National Uniform Licensing and Certification Examination, as developed and approved by the Appraiser Qualifications Board of The Appraisal Foundation, in another jurisdiction if the applicant is approved by the Board to sit for examination, the examination is administered by a test administrator approved by the Appraiser Qualifications Board of The Appraisal Foundation, and the examination is administered and scored in accordance with the laws of that jurisdiction.

003.03 Upon approval of a processed application for credentialing as a licensed residential, certified residential, or certified general real property appraiser; approval of qualifying education; and approval and qualification of real property appraisal practice experience, an applicant may be approved to sit for examination. The applicant will be notified in writing or by electronic communication of the procedure for enrolling for the examination and examination sites. The applicant will submit the required examination fee to the test administrator.

003.04 An applicant must~~ay have up to three attempts to~~ successfully pass the National Uniform Licensing and Certification Examination within twenty-four~~lve~~ months from the date the applicant was approved by the Board to sit for examination. If an applicant fails to pass ~~the~~ an examination~~ on the first or second~~ attempt, he or she may notify the Board for approval to retake the examination within the twenty-four month period. An applicant who does not pass ~~the~~ an examination attempt may submit any required fees to the test administrator for retesting.

003.05 An applicant who has successfully passed the National Uniform

Licensing and Certification Examination may provide an official copy of the ~~test~~ exam results to the Board s office within twenty-four~~lve~~ months from the date the applicant passed ~~was approved to sit for~~ examination.

003.06 Each applicant shall follow the rules imposed by the administrator of the examination. No applicant may receive or give any assistance during an examination. Violation of these rules may be reason for denial of a credential.

003.07 In compliance with the Americans with Disabilities Act, reasonable accommodation will be provided to all applicants; and the Board may authorize an examination to be administered to an individual orally or by other technique.

## 004 APPLICATION

004.01 Trainee Real Property Appraiser and Supervisory Real Property Appraiser Requirements

004.01A Any applicant for the trainee real property appraiser credential must:

004.01A.1 Submit an application and required documentation on forms approved by the Board showing compliance by the applicant with all credentialing requirements established by the Act or by this Title;

004.01A.2 Pay a non-refundable application fee as follows:

004.01A.2a ~~of~~ $150.00 for applications received on or before June 30, 2025,

004.01A.2b $170.00 for applications received on July 1, 2025 through June 30, 2026,

004.01A.2c $185.00 for applications received on July 1, 2026 through June 30, 2027,

004.01A.2b $200.00 for applications received on or after July 1, 2027; and

004.01A.3 Pay a non-refundable criminal history record check fee of $45.25.

004.01B Any application received at the Board s office considered to be incomplete will not be processed, and may be returned to the applicant as incomplete. Any application not considered to be incomplete will be processed.

004.01C If the Board s director finds that the applicant meets the general and education requirements in the Act and this Title, the application will be considered a completed application and a credential may be issued to the applicant. If the Board s director finds that the applicant may not meet one or more of the requirements in the Act and this Title, the application shall be placed before the Board for consideration. If the Board finds that the applicant meets the general and education requirements in the Act and this Title, the application will be considered a completed application and a credential may be issued to the applicant.

004.01D Upon the approval as a trainee real property appraiser, the applicant will be issued:

(1) A letter notifying him or her of his or her status as a Nebraska trainee real property appraiser,

(2) A wall certificate on a form approved by the Board, and

(3) Instructions to access his or her credentialing card.

004.01E The Board may deny an application at any time during the process if the Board finds that the applicant fails to meet the requirements in the Act and/or this Title that pertain to credentialing. Before submitting a new application, the Applicant may be required by the Board to:

004.01E.1 Complete additional education; and/or

004.01E.2 Not reapply for the trainee real property appraiser classification for an amount of time to be determined by the Board.

004.01F If the Board denies an application for any reason excluding the national criminal history record check, the applicant may file a new application, and if so, meet the requirements in place at the time a new application is submitted to the Board.

004.01G If the fingerprint-based national criminal history record check result is the basis for denial, the applicant is entitled to a copy of his or her national criminal history record, and an opportunity to dispute the result.

004.01G.1 In order to receive a copy of such record, the applicant shall:

004.01G.1a In person, complete a form approved by the Board that relieves the Board from any liability related to the release of the national criminal history record; and

004.01G.1b Present a passport, driver s license, or other government-issued identification card with a photograph to be copied by the Board.

004.01G.2 If the applicant provides evidence acceptable to the Board that the fingerprint-based national criminal history record check result that was the basis for denial is incorrect, the Board may reconsider the application.

004.01H A trainee real property appraiser may request approval for a supervisory real property appraiser at any time after he or she is issued a credential as a trainee real property appraiser by the Board provided the credential is current and active. The trainee real property appraiser is not required to submit an additional application for approval as a trainee real property appraiser, or pay any additional fees. Each request made by a trainee real property appraiser for approval of a supervisory real property appraiser will be submitted to the Board on a form approved by the Board.

004.01I Any applicant for approval as a supervisory real property appraiser must apply his or her signature on the application submitted by a trainee real property appraiser showing compliance by the applicant with all supervisory real property appraiser requirements established by the Act or by this Title. Along with the application, the trainee real property appraiser must submit any documentation required for supervisory real property appraiser approval.

004.01J Any application for approval as a supervisory real property appraiser received at the Board s office considered to be incomplete will not be processed, and may be returned to the

trainee real property appraiser as incomplete. Any application for approval as a supervisory real property appraiser not considered to be incomplete will be processed.

004.01K If the Board s director finds that the applicant meets the requirements in the Act and this Title, and the certified real property appraiser is in good standing, the application will be considered a completed application and the applicant may be approved as a supervisory real property appraiser. If the Board s director finds that the applicant may not meet one or more of the requirements in the Act and this Title, the application shall be placed before the Board for consideration. If the Board finds that the applicant meets the requirements in the Act and this Title, and the certified real property appraiser is in good standing, the application will be considered a completed application and the applicant may be approved as a supervisory real property appraiser.

004.01L Upon approval of a supervisory real property appraiser, the supervisory real property appraiser and the trainee real property appraiser will each be issued a letter notifying them of the supervisory real property appraiser s approval.

004.01M The Board may deny an application for approval as a supervisory real property appraiser at any time during the process if the Board finds that the supervisory real property appraiser applicant, or the trainee real property appraiser, fails to meet the requirements in the Act and/or this Title that pertain to approval as a trainee real property appraiser and/or approval as a supervisory real property appraiser. Before submitting a new application, the supervisory real property appraiser applicant and/or the trainee real property appraiser may be required by the Board to:

004.01M.1 Complete additional education; and/or

004.01M.2 Not reapply for the trainee real property appraiser classification, and/or approval as a supervisory real property appraiser, for an amount of time to be determined by the Board.

004.01N If the Board denies an application for approval as a supervisory real property appraiser, the trainee real property appraiser may file a new application for the supervisory real

property appraiser applicant. The supervisory real property appraiser applicant must meet the requirements pertaining to approval as a supervisory real property appraiser in place at the time a new application is submitted to the Board.

004.01O If disciplinary action is taken against a supervisory real property appraiser by the Board, or any other appraiser regulatory agency in any other jurisdiction, the supervisory real property appraiser s approval will be revoked as of the date of action by the Board or other jurisdiction.

004.01P Any certified real property appraiser that has been approved by the Board as a supervisory real property appraiser, and is currently acting in a supervisory capacity for one or more trainee real property appraisers, may use the title supervisory real property appraiser or designation S.A. in conjunction with his or her name.

004.02 Licensed Residential, Certified Residential, and Certified General Real Property Appraiser Credentialing

004.02A Any applicant for the licensed residential, certified residential, or certified general real property appraiser credential must:

004.02A.1 Submit an application and required documentation for the appropriate classification on forms approved by the Board showing compliance by the applicant with all credentialing requirements established by the Act or by this Title;

004.02A.2 Pay a non-refundable application fee as follows:

004.02A.2a ~~of~~ $150.00 for applications received on or before June 30, 2025,

004.02A.2b $170.00 for applications received on July 1, 2025 through June 30, 2026,

004.02A.2c $185.00 for applications received on July 1, 2026 through June 30, 2027,

004.02A.2b $200.00 for applications received on or after

July 1, 2027; and

004.02A.3 Pay a non-refundable criminal history record check fee of $45.25.

004.02B Any application received at the Board s office considered to be incomplete will not be processed, and may be returned to the applicant as incomplete. Any application not considered to be incomplete will be processed.

004.02C If the Board s director finds that the applicant meets the general, education, and experience requirements in the Act and this Title, the applicant may be approved to sit for the National Uniform Licensing and Certification Examination. If the Board s director finds that the applicant may not meet one or more of the requirements in the Act and this Title, the application shall be placed before the Board for consideration. If the Board finds that the applicant meets the requirements in the Act and this Title, the applicant may be approved to sit for the National Uniform Licensing and Certification Examination.

004.02D If an official copy of the National Uniform Licensing and Certification Examination~~test~~ results is provided within twenty-four~~lve~~ months from the date the applicant passed the examination, evidencing that the examination was successfully completed within twenty-four months from the date the applicant was approved to sit for examination~~showing that he or she has successfully passed the National Uniform Licensing and Certification Examination~~, the application will be considered a completed application and the applicant is approved for issuance of a credential as a licensed residential, certified residential, or certified general real property appraiser.

004.02E Within thirty days of approval that the applicant may be issued a credential as a licensed residential, certified residential, or certified general real property appraiser, an applicant shall pay a non-refundable credentialing fee~~ of $300.00~~ before the applicant is authorized to act as a real property appraiser within the applied for classification in this State as follows:

004.02E.1 $300.00 for applications received on or before June 30, 2025,

004.02E.2 $320.00 for applications received on July 1, 2025 through June 30, 2026,

004.02E.3 $335.00 for applications received on July 1, 2026 through June 30, 2027,

004.02E.4 $350.00 for applications received on or after July 1, 2027.

004.02F Within thirty days of approval that the applicant may be issued a credential as a licensed residential, certified residential, or certified general real property appraiser, an applicant that does not hold a current licensed residential, certified residential, or certified general real property appraiser credential issued by the Board shall pay an annual Appraiser Registry fee of $40.00 before the applicant is authorized to act as a real property appraiser in this State.

004.02G If an applicant fails to provide the required fees as specified in Section 004.02E and Section 004.02F of this Chapter, the application will be placed before the Board for reconsideration.

004.02H Upon receipt of the required fees at the Board s office, the applicant will be issued:

(1) A letter notifying him or her of his or her status as a Nebraska real property appraiser; and that his or her credential will be entered into the Appraisal Subcommittee s Appraiser Registry,

(2) A wall certificate on a form approved by the Board, and

(3) Instructions to access his or her credentialing card.

004.02I The Board may deny an application at any time during the process if the applicant fails to meet the requirements in the Act and/or this Title that pertain to credentialing. Before submitting a new application, the applicant may be required by the Board to:

004.02I.1 Complete additional education;

004.02I.2 Obtain additional real property appraisal practice experience; and/or

004.02I.3 Not reapply for the same classification of credentialing for an amount of time to be determined by the Board.

004.02J If the Board denies an application for any reason excluding the national criminal history record check, the applicant may file a new application, and if so, meet the requirements in place at the time a new application is submitted to the Board. If a new application for credentialing in the same classification is received within one year of the Board s denial of a previous application by the applicant, and one or more reports were reviewed for conformity with the Uniform Standards of Professional Appraisal Practice by a qualified disinterested third party certified real property appraiser to assist the Board with evaluation of the applicant s experience for that previous application, the applicant shall pay any cost(s) associated with any report(s) reviewed in accordance with Section 002 of this Chapter.

004.02K If the fingerprint-based national criminal history record check result is the basis for denial, the applicant is entitled to a copy of his or her national criminal history record, and an opportunity to dispute the result.

004.02K.1 In order to receive a copy of such record, the applicant shall:

004.02K.1a In person, complete a form approved by the Board that relieves the Board from any liability related to the release of the national criminal history record; and

004.02K.1b Present a passport, driver s license, or other government-issued identification card with a photograph to be copied by the Board.

004.02K.2 If the applicant provides evidence acceptable to the Board that the fingerprint-based national criminal history record check result that was the basis for denial is incorrect, the Board may reconsider the application.

# TITLE 298 - NEBRASKA REAL PROPERTY APPRAISER BOARD

## CHAPTER 3 - RECIPROCITY AND TEMPORARY REAL PROPERTY APPRAISER CREDENTIAL

### 001 RECIPROCITY

This Section applies to individuals currently credentialed in another jurisdiction who wish to obtain a non-temporary Nebraska credential. To qualify for a credential as a licensed residential real property appraiser, a certified residential real property appraiser, or a certified general real property appraiser through reciprocity, an applicant must be currently credentialed to appraise real estate and real property under the laws of another jurisdiction, and must comply with all of the provisions of the Real Property Appraiser Act and this Title relating to the appropriate classification of credentialing.

001.01 Any applicant for the licensed residential, certified residential, or certified general real property appraiser credential through reciprocity must:

001.01A Submit an application and required documentation for the appropriate classification on forms approved by the Board showing compliance by the applicant with all credentialing requirements established by the Act or by this Title;

001.01B Pay a non-refundable application fee as follows:

001.01B.1 ~~of~~ $150.00 for applications received on or before June 30, 2025,

001.01B.2 $170.00 for applications received on July 1, 2025 through June 30, 2026,

001.01B.3 $185.00 for applications received on July 1, 2026 through June 30, 2027,

001.01B.4 $200.00 for applications received on or after July 1, 2027; and

001.01C Pay a non-refundable criminal history record check fee of $45.25.

001.02 Any application received at the Board s office considered to be incomplete will not be processed, and may be returned to the applicant as incomplete. Any application not considered to be incomplete will be processed.

001.03 The application will be considered a completed application and a credential may be issued to the applicant, if the Board s director finds that the applicant:

001.03A Meets the requirements in the Act and this Title;

001.03B The requirements of the applicant s jurisdiction of practice meet or exceed the minimum requirements of the Real Property Appraiser Qualification Criteria adopted and promulgated by the Appraiser Qualifications Board of The Appraisal Foundation; and

001.03C The regulatory program of the applicant s jurisdiction of practice specified in an application for credentialing is determined to be effective in accordance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council. An Appraisal Subcommittee finding of poor does not satisfy the requirement that the applicant s jurisdiction of practice is effective in accordance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

001.04 If the Board s director finds that the applicant may not meet one or more of the requirements specified in Section 001.03A, 001.03B, or 001.03C of this Chapter, the application shall be placed before the Board for consideration. If the Board finds that the applicant meets the requirements specified in Section 001.03A, 001.03B, and 001.03C of this Chapter, the application will be considered a completed application and a credential may be issued to the applicant.

001.05 Within thirty days of approval that the applicant may be issued a credential as a licensed residential, certified residential, or certified general real property appraiser, an applicant shall pay a non-refundable credentialing fee ~~of $300.00~~ before the applicant is authorized to act as a real property appraiser within the applied for classification in this State as follows:

001.05A $300.00 for applications received on or before June 30, 2025,

001.05B $320.00 for applications received on July 1, 2025 through June 30, 2026,

001.05C $335.00 for applications received on July 1, 2026 through June 30, 2027,

001.05D $350.00 for applications received on or after July 1, 2027.

001.06 Within thirty days of approval that the applicant may be issued a credential as a licensed residential, certified residential, or certified general real property appraiser, an applicant that does not hold a current licensed residential, certified residential, or certified general real property appraiser credential issued by the Board shall pay an annual Appraiser Registry fee of $40.00 before the applicant is authorized to act as a real property appraiser in this State.

001.07 If an applicant fails to provide the required fees as specified in Section 001.05 and Section 001.06 of this Chapter, the application will be placed before the Board for consideration.

001.08 Upon receipt of the required fees at the Board s office, the applicant will be issued:

(1) A letter notifying him or her of his or her status as a Nebraska real property appraiser, and that his or her credential will be entered into the Appraisal Subcommittee s Appraiser Registry,

(2) A wall certificate on a form approved by the Board, and

(3) Instructions to access his or her credentialing card.

001.09 The Board may deny an application at any time during the process if the applicant fails to meet the requirements in the Act and/or this Title that pertain to credentialing. Before submitting a new application, the applicant may be required by the Board to:

001.09A Complete additional education;

001.09B Obtain additional real property appraisal practice experience; and/or

001.09C Not reapply for the same classification of credentialing for an amount of time to be determined by the Board.

001.10 If the Board denies an application for any reason excluding the national criminal history record check, the applicant may file a new application, and if so, meet the requirements in place at the time a new application is submitted to the Board.

001.11 If the fingerprint-based national criminal history record check result is the basis for denial, the applicant is entitled to a copy of his or her national criminal history record, and an opportunity to dispute the result.

001.11A In order to receive a copy of such record, the applicant shall:

001.11A.1 In person, complete a form approved by the Board that relieves the Board from any liability related to the release of the national criminal history record; and

001.11A.2 Present a passport, driver s license, or other government-issued identification card with a photograph to be copied by the Board.

001.11B If the applicant provides evidence acceptable to the Board that the fingerprint-based national criminal history record check result that was the basis for denial is incorrect, the Board may reconsider the application.

## 002 TEMPORARY CREDENTIAL

For a nonresident to qualify for a temporary credential as a licensed residential real property appraiser, a certified residential real property appraiser, or a certified general real property appraiser, an applicant must be currently credentialed to engage in real property appraisal practice under the laws of another jurisdiction, and must comply with all of the provisions of the Act and this Title relating to temporary credentialing.

002.01 Any applicant for a temporary licensed residential, certified residential, or certified general real property appraiser credential must:

002.01A Submit an application and required documentation for the appropriate classification on forms approved by the Board showing compliance by the applicant with all temporary credentialing requirements established by the Act or by this Title;

002.01B Submit a letter of engagement or contract indicating the location(s) and property types of the real property appraisal practice assignment;

002.01C Pay a non-refundable temporary credential application fee as follows:

002.01C.1 ~~of~~ $100.00 for applications received on or before June 30, 2025,

002.01C.2 $120.00 for applications received on July 1, 2025 through June 30, 2026,

002.01C.3 $135.00 for applications received on July 1, 2026 through June 30, 2027,

002.01C.4 $150.00 for applications received on or after July 1, 2027; and

002.01D Pay a non-refundable temporary credentialing fee as follows:

002.01C.1 ~~of~~ $50.00 for applications received on or before June 30, 2025,

002.01C.2 $70.00 for applications received on July 1, 2025 through June 30, 2026,

002.01C.3 $85.00 for applications received on July 1, 2026 through June 30, 2027,

002.01C.4 $100.00 for applications received on or after July 1, 2027.

002.02 Any application received at the Board s office considered to be incomplete will not be processed, and may be returned to the applicant as incomplete. Any application not considered to be incomplete will be processed.

002.03 If the applicant meets the requirements in the Act and this Title, the application will be considered a completed application and a temporary credential may be issued to the applicant by Board staff. If the Board s director finds that the applicant may not meet one or more

of the requirements in the Act and this Title, the application shall be placed before the Board for consideration. If the Board finds that the applicant meets the requirements in the Act and this Title, the application will be considered a completed application and a temporary credential may be issued to the applicant.

002.04 Upon approval of the application, the applicant will be issued:

002.04A A letter notifying him or her of his or her approval as a temporary credential holder, along with the terms of the temporary credential;

002.04B A credentialing card in a form approved by the Board; and

002.04C Instructions to access his or her credentialing card if needed.

002.05 An application may be denied at any time during the process if the applicant is found to not meet the requirements in the Act and this Title that pertain to temporary credentialing.

002.06 Any request for one additional six-month approval of a temporary credential shall be made to the Board on forms approved by the Board. The request will be denied if the reason for the request of the additional six-month approval is not directly related to the initial approval granted by the Board. Notice of the decision will be provided to the requestor in writing.

**TITLE 298 NAC - NEBRASKA REAL PROPERTY APPRAISER BOARD**

**CHAPTER 4 - RENEWAL OF REAL PROPERTY APPRAISER CREDENTIAL**

## 001 CONTINUING EDUCATION

Every credential holder other than a temporary credential holder must satisfactorily complete no fewer than twenty-eight hours of approved continuing education activities in each two-year continuing education period. The basic requirements for continuing education are found in NEB. REV. STAT. § 76-2236. Except for the seven-hour National Uniform Standards of Professional Appraisal Practice ~~Update~~ Continuing Education ~~e~~Course, and the valuation bias and fair housing laws and regulations course, hours may be completed at any time during the two-year continuing education period.

001.01 ~~The seven-hour National Uniform Standards of Professional Appraisal Practice Update course or the seven-hour Instructor Recertification course~~ Continuing education courses specified in Sections 001.01A and 001.01B of this Chapter must be completed at least once every two calendar years. The two-year period for the~~i~~se course~~s~~ begin~~s~~ one day after the course was last completed, or one day after a new credential is issued by the Board. A document certifying completion ~~of the seven-hour National Uniform Standards of Professional Appraisal Practice Update course, or evidence of instructor certification by the Appraiser Qualifications Board,~~ shall be submitted by December 31 of the year in which the course is required.

001.01A The seven-hour National Uniform Standards of Professional Appraisal Practice ~~Update~~ Continuing Education ~~e~~Course. ~~or t~~The ~~seven-hour~~ Instructor Recertification ~~e~~Course completed by an AQB Certified USPAP Instructor meets this requirement ~~must be completed at least once every two calendar years. The two-year period for this course begins one day after the course was last completed, or one day after a new credential is issued by the Board. A document certifying completion of the seven-hour National Uniform Standards of Professional Appraisal Practice Update course, or evidence of instructor certification by the Appraiser Qualifications Board, shall be submitted by December 31 of the year in which the course is required~~.

001.01B Beginning January 1, 2026, a valuation bias and fair housing laws and regulations course.

001.01B.1 The seven-hour valuation bias and fair housing laws and regulations course for any credential holder who has not successfully completed the eight-hour valuation bias and fair housing laws and regulations course required in Chapter 2 of this Title to qualify for a credential as a real property appraiser.

001.01B.2 The four-hour valuation bias and fair housing laws and regulations course for any credential holder who has successfully completed a valuation bias and fair housing laws and regulations course under Section 001.01B.1 of this Chapter. The seven-hour valuation bias and fair housing laws and regulations course meets this requirement.

001.02 Except for the seven-hour National Uniform Standards of Professional Appraisal Practice ~~Update~~ Continuing Education ~~c~~Course, and the valuation bias and fair housing laws and regulations course, evidence of continuing education completion may be submitted to the Board s office at any time during credential holder s two-year continuing education period.

001.03 Except for the seven-hour National Uniform Standards of Professional Appraisal Practice ~~Update~~ Continuing Education ~~c~~Course, and any activity approved by the Board on an annual basis in which the content changes on an annual basis, any education activity of the same content, or in the opinion of the Board indistinguishable in content, cannot be used toward meeting the continuing education requirements within the same two-year continuing education period.

001.04 Evidence of participation as a student in each ~~b~~Board-approved education activity submitted for continuing education credit includes a document of completion from the education provider that affirms successful completion of each activity.

001.05 Evidence of attendance at an education activity sponsored or conducted by the Board submitted for continuing education credit includes a document of completion from the Board that affirms attendance of such activity. The document is required to include the name of credential holder, name of activity, location ~~of activity~~at which activity was conducted or presentation method, activity attendance

date(s), number of hours completed, and signature of the Board s director.

001.06 Evidence of participation, other than as a student, in real property appraisal practice education processes and programs includes a written description of the process or program and the credential holder s participation, along with any documents supporting the credential holder s participation. Evidence may include, but is not limited to, documentation showing hours of instruction and evidence of activity offering, program documents developed by the credential holder with evidence supporting credential holder s participation, and/or credit awarded for authorship or participation in publication.

001.07 Any education activity successfully completed to make up a deficiency of the continuing education requirements in a two-year continuing education period may not be used toward the continuing education requirements in the subsequent continuing education period.

001.08 Any education activity successfully completed as a result of disciplinary action taken by the Board may not be used toward the continuing education requirements.

001.09 Individual Program of Continuing Education

001.09A The Board may adopt an individual program of continuing education for a credential holder, that is compliant with Appraiser Qualifications Board criteria for continuing education, upon receipt of a written request from the credential holder explaining:

(1) The circumstances resulting in the request,

(2) Why an exception should be made,

(3) How an individual program of continuing education would benefit the credential holder, and

(4) The requested duration of such individual program of continuing education.

001.09B If an individual program of continuing education is adopted by the Board, the credential holder will be notified of the individual program adopted for him or her in writing. The written notice will contain all details, requirements, expectations, and the duration for

which the individual program is in effect.

001.09C If an individual program of continuing education is denied by the Board, the credential holder will be notified of the decision in writing.

001.10 Continuing Education Completed in Another Jurisdiction

001.10A The Board may accept a classroom education continuing education activity completed in another jurisdiction if, at the time the activity was completed, the continuing education activity:

001.10A.1 Is approved as classroom continuing education by the jurisdiction in which it was completed; and

001.10A.2 Meets or exceeds the requirements for approval as a continuing education activity as established in the Real Property Appraiser Qualifications Criteria adopted and promulgated by the Appraiser Qualifications Board of The Appraisal Foundation.

001.10B The Board may accept a distance education continuing education activity completed in another jurisdiction if, at the time the activity was completed, the continuing education activity:

001.10B.1 Is approved as distance education for continuing education by the jurisdiction in which the credential holder is a legal resident, or is approved as continuing education by a jurisdiction in which the real property appraiser is credentialed as verified through the Appraiser Registry of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council; and

001.10B.2 Meets or exceeds the requirements for approval as continuing education activity as established in the Real Property Appraiser Qualifications Criteria adopted and promulgated by the Appraiser Qualifications Board of The Appraisal Foundation.

001.10C If the real property appraiser submits a continuing education activity completed in another jurisdiction for consideration of acceptance by the Board, the real property appraiser will furnish a document of completion for the course that

affirms successful completion of the activity.

001.11 Supervisory Real Property Appraiser Status

001.11A The supervisory real property appraiser status for any credential holder that fails to meet the requirements for renewal by December 31 of his or her designated year is immediately revoked as the credential holder no longer meets the requirements as a supervisory real property appraiser. Any trainee real property appraiser under the supervisory real property appraiser s supervision will be notified in writing that the supervisory real property appraiser is no longer eligible to engage in real property appraisal practice.

001.11B If the credential holder successfully completes the requirements for renewal prior to July 1, his or her supervisory real property appraiser status is reinstated. Both the supervisory real property appraiser and the trainee real property appraiser will be notified in writing of the reinstatement and of the period of time in which the trainee real property appraiser s experience is not acceptable for experience credit for credentialing as a real property appraiser.

001.11C If the credential holder fails to successfully complete the requirements for renewal prior to July 1, the trainee real property appraiser may submit a new application for the approval of the credential holder if he or she obtains a credential as a real property appraiser issued under the Real Property Appraiser Act after July 1.

**~~002 CRIMINAL HISTORY RECORD CHECK~~**

~~002.01 Any credential holder randomly selected to submit, along with the application for renewal, two copies of legible ink-rolled fingerprint cards or equivalent electronic fingerprint submissions to the Board will be notified by certified mail no later than June 30 of the year in which the credential holder was selected for the criminal history record check.~~

**0023 APPLICATION**

A credential issued under the Real Property Appraiser Act other than a temporary credential remains in effect until December 31 of the designated year unless surrendered, revoked, suspended, or canceled prior to such

date. A credential, other than a trainee real property appraiser credential, may be renewed for one or two years; the trainee real property appraiser credential remains in effect until December 31 of the second year of the two-year continuing education period. The entire two-year continuing education period must be satisfactorily completed prior to renewing a credential for a two-year period.

0023.01 Any applicant for renewal of a trainee real property appraiser credential must:

0023.01A Submit an application and required documentation on forms approved by the Board showing compliance by the applicant with all renewal and continuing education requirements established by the Act and by this Title; and

0023.01B Pay a late processing fee of $25.00 for each month or portion of a month the application is late f or any application received at the Board's office by mail post-marked after November 30, or for any application received electronically date stamped after November 30~~non-refundable criminal history record check fee of $5.00 for each year of renewal for maintenance of the random fingerprint audit program~~.

0023.02 Except for the trainee real property appraiser credential and temporary credential, any applicant for renewal of a credential issued by the Board must:

0023.02A Submit an application and required documentation for the appropriate classification on forms approved by the Board showing compliance by the applicant with all renewal and continuing education requirements established by the Act and by this Title;

0023.02B Pay a non-refundable credentialing fee ~~of $275.00~~ for each year of renewal as follows:

002.02B.1 $275.00 for applications received on or before June 30, 2025,

002.02B.2 $300.00 for applications received on July 1, 2025 through June 30, 2026,

002.02B.3 $325.00 for applications received on July 1, 2026

through June 30, 2027,

002.02B.4 $350.00 for applications received on or after July 1, 2027;

0023.02C Pay an annual Appraiser Registry fee of $40.00 for each year of renewal; and

0023.02D Pay a late processing fee of $25.00 for each month or portion of a month the application is late ~~non-refundable criminal history record check fee of $5.00 for each year of renewal for maintenance of the random fingerprint audit program.~~:

002.02D.1 For any application received at the Board's office by mail post-marked after November 30, or for any application received electronically date stamped after November 30, if the date of initial credentialing is before November 1 of the current year, or

002.02D.2 For any application received at the Board's office by mail post-marked after December 31, or for any application received electronically date stamped after December 31, if the date if initial credentialing is on or after November 1 of the current year, but before January 1 of the following year.

0023.03 Any application received at the Board s office considered to be incomplete will not be processed and may be returned to the applicant as incomplete. Any application not considered to be incomplete will be processed.

0023.04 ~~Any renewal application post-marked before November 30 will be reviewed by the Board s staff.~~ If a credential holder meets all renewal requirements in the Act and this Title, the application will be considered a completed application and the applicant s credential may be renewed. If the Board s director finds that the applicant may not meet one or more of the renewal requirements in the Act and this Title~~, or the application is post-marked after November 30~~, the application shall be placed before the Board for consideration. If the Board finds that the applicant meets the renewal requirements in the Act and this Title, the application will be considered a completed application and the applicant s credential may be renewed.

003.05 If a criminal history record check report has not been returned to the Board s office by the State Patrol prior to December 31, and all other requirements for renewal in the Act and this Title are met prior to November 30, a credential may be renewed contingent upon the results of the criminal history record check report.

0023.056 Upon renewal the credential holder will be issued:

(1) A notification informing him or her of his or her status as a Nebraska real property appraiser, and

(2) Instructions to access his or her credentialing card.

0023.067 The renewal application may be denied at any time during the process if the applicant fails to meet the requirements in the Act and this Title that pertain to renewal of a credential. If a renewal application is denied for any reason excluding the national criminal history record check, the applicant may file a new application for credentialing, and if so, meet the credentialing requirements in place at the time the new application is submitted to the Board.

0023.078 If the fingerprint-based national criminal history record check result is the basis for denial, the credential holder is entitled to a copy of his or her national criminal history record, and an opportunity to dispute the result.

0023.078A In order to receive a copy of such record, the credential holder shall:

0023.078A.1 In person, complete a form approved by the Board that relieves the Board from any liability related to the release of the national criminal history record; and

0023.078A.2 Present a passport, driver s license, or other government-issued identification card with a photograph to be copied by the Board.

0023.078B If the credential holder provides evidence acceptable to the Board that the fingerprint-based national criminal history record check result that was the basis for denial is incorrect, the Board may reconsider the application.

**TITLE 298 NAC - NEBRASKA REAL PROPERTY APPRAISER BOARD**

**CHAPTER 6 - EDUCATION PROVIDER ACTIVITY REQUIREMENTS**

## 001 GENERAL

001.01 The Board may at any time conduct an audit of any approved education activity to verify that the activity is being conducted in accordance with the Act and this Title as approved.

001.02 The Board may at any time review activity and instructor materials approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program to verify that the activity and/or instructor(s) meet the requirements of the Act and this Title as approved.

001.03 Approval of activities does not transfer from one education provider to another, unless one education provider obtains the legal rights to all activities of another education provider. The expiration date of any continuing education activity will remain the same as approved under the previous education provider.

001.04 Education providers and instructors will comply with the Nebraska Private Postsecondary Career Schools Act, NEB. REV. STAT § 85-1601, et seq. as applicable.

001.05 Nothing in this Chapter may be construed to preclude education activities sponsored or conducted by the Board from being accepted as qualifying education or continuing education.

001.06 Nothing in this Chapter may be construed to preclude education providers from surrendering approval of education activities~~The Board maintains a schedule of education activities on its website as a tool to notify future applicants and current credential holders of upcoming education activities. Although education providers may provide notice to the Board of upcoming qualifying education activities, continuing education activities, and supervisory real property appraiser and trainee courses for inclusion on the schedule, the education provider is responsible for scheduling and notifying future applicants and current credential holders of upcoming education activities offered by the education provider~~.

001.07 All activities shall contain current material, theory,

methodologies, and Uniform Standards of Professional Appraisal Practice requirements. Activities that include Uniform Standards of Professional Appraisal Practice citations and references must be updated as necessary to reflect changes in the Uniform Standards of Professional Appraisal Practice.

001.08 All activities shall be conducted in conformance with the materials, presentation methodologies, and policies as approved.

001.09 No activity may rely upon a textbook as the primary instructional material. Textbooks are permitted to be used as a background reference for an activity; however, textbooks will not be reviewed as the activity. All activities must contain sufficient stand-alone instructional materials supporting the specific activity learning objectives.

001.10 ~~Fifty minutes engaged in instruction equals one hour for all activities.~~ The prescribed number of activity hours includes time for examinations. Education activity hours are determined as follows:

001.10A For a timed outline in a schedule format, where sixty minutes equals one hour in Coordinated Universal Time, the start time and the end time is utilized to determine the total minutes engaged in instruction. Breaks, meal periods, and time not engaged in instruction are removed. Fifty minutes engaged in instruction out of each sixty minute segment equals one hour.

001.10B For a timed outline in a non-schedule format, where each topic is assigned a specific duration, each minute engaged in instruction is utilized to determine the total minutes engaged in instruction. Fifty minutes engaged in instruction equals one hour.

001.11 Except for qualifying education included as curriculum in a degree program of an accredited college or university that has had all or part of its curriculum approved by the Appraiser Qualifications Board of The Appraisal Foundation, one semester credit hour received from an accredited college or university equals fifteen classroom hours of instruction.

001.12 A document certifying completion will be issued to each attendee upon completion of any activity. The document may be transmitted to the attendee in person, by mail, by email, or by any other electronic means that are secure. The document is required to include the name of education provider, signature of education provider and/or

instructor, name of activity as approved, location at which activity was conducted or presentation method, date(s) activity was conducted, number of hours, pass or fail statement, and name of attendee, or be an official transcript from a university or college that includes the name of activity as approved, the number of credit hours awarded, and the name of the attendee.

001.13 Education providers shall maintain a record of attendance for each activity for a period of at least five years.

001.14 Secondary providers shall obtain written evidence that the rights to an activity have been purchased or lawfully acquired from the education provider that owns rights to activity materials.

001.15 Distance Education Activities

001.15A A distance education activity approved as qualifying education must include a written, closed-book final examination. The examination must be proctored in person or remotely proctored by an official approved by the education provider. Bio-metric proctoring is acceptable. The examination may be written on paper or administered electronically on a computer workstation or other device. Oral exams are not acceptable.

001.15B An asynchronous distance education activity, or a hybrid distance education activity in which the learning environment includes asynchronous interaction, approved as continuing education, must include at least one of the following:

001.15B.1 A written examination proctored by an official approved by the education provider. Remote proctoring, including bio-metric procedures, is acceptable. The examination may be written on paper, or administered electronically on a computer workstation or other device. Oral exams are not acceptable; or

001.15B.2 Successful completion of prescribed activity mechanisms required to demonstrate knowledge of the subject matter.

001.15C During evaluation, and at any time a distance education activity is offered to the public, electronic access is required to be provided to the Board at the Board s request. The electronic access

must provide administrative rights that allow for access to the activity, quizzes, and examinations without having to take the distance education activity in sequential order and without having to take quizzes or examinations to proceed with the activity.

001.15D All website links must be valid and active for a distance education activity at the time such activity is offered to the public.

001.15E At the Board s request, a transcript of the distance education activity must be provided to the Board.

001.15F Sections 001.15G through 001.15I of this Chapter are not applicable to a synchronous distance education activity, or a hybrid distance education activity in which the learning environment includes synchronous interaction but not asynchronous interaction, as these distance education activities provide for instruction and interaction substantially the same as classroom education.

001.15G Delivery mechanism approval must be obtained from one of the following sources for an asynchronous distance education activity or a hybrid distance education activity in which the learning environment includes asynchronous interaction:

001.15G.1 The Appraiser Qualifications Board of The Appraisal Foundation;

001.15G.2 An organization approved by the Appraiser Qualifications Board of The Appraisal Foundation that provides approval of activity design and delivery; or

001.15G.3 An accredited degree-awarding community college, college, or university that:

001.15G.3a Offers distance education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education, that awards academic credit for the distance education courses; or

001.15G.3b Maintains an education delivery program that approves activity design and delivery that incorporate interactivity.

001.15H Each asynchronous distance education activity, or hybrid distance education activity in which the learning environment includes asynchronous interaction, must provide interaction in a reciprocal environment where the student has verbal or written communication with the instructor.

001.15I For an asynchronous distance education activity or a hybrid distance education activity in which the learning environment includes asynchronous interaction, an education provider must provide documentation evidencing delivery mechanism approval by the Appraiser Qualifications Board of The Appraisal Foundation; an organization approved by the Appraiser Qualifications Board of The Appraisal Foundation that provides approval of activity design and delivery; or an accredited degree-awarding community college, college, or university. Acceptable documentation includes the official standard documentation issued to the education provider by the entity that approves the delivery mechanism, or in the case of an accredited degree-awarding community college, college, or university that offers distance education programs and awards academic credit for the distance education courses, a written description evidencing that the delivery mechanism provides interaction in a reciprocal environment where the student has verbal or written communication with the instructor.

## 002 QUALIFYING EDUCATION

### 002.01 Requirements

002.01A All core curriculum courses shall be approved as qualifying education by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program, or be included as curriculum in a degree program of an accredited college or university that has had all or part of its curriculum approved by the Appraiser Qualifications Board of The Appraisal Foundation.

002.01B Any appraisal subject matter elective qualifying education activity must contribute to an attendee s development of real property appraiser related competency in any one or more of the following subjects:

(1) Real property appraisal practice,

(2) Valuation methodology and/or techniques,

(3) Market fundamentals, characteristics, conditions, and analysis,

(4) Real property concepts, characteristics, and analysis,

(5) Real property appraiser and client communication,

(6) Computation, and/or

(7) Legal considerations.

002.01C Except for the valuation bias and fair housing laws and regulations course, ~~E~~each qualifying education activity shall be at least 15 hours in length~~;~~. ~~n~~Not qualifying education activity is to exceed eight hours of instruction in any~~per~~ day. At least a one-half hour break shall be given to attendee(s) by no later than the end of four hours of instruction~~class~~ in any day.

002.02 Initial Application

002.02A Any education provider applying for approval of a qualifying education activity must:

002.02A.1 Submit an application for the activity on forms approved by the Board showing compliance by the education provider and the activity with all requirements established by the Act or by this Title;

002.02A.2 For an activity not approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for qualifying education, submit the following:

002.02A.2a An activity description that clearly describes the content of the activity;

002.02A.2b An activity matrix reflecting hours of credit per topic;

002.02A.2c A timed outline that accounts for the general flow and recommended time spent on topics contained

within the activity;

002.02A.2d Learning objectives that:

(1) Are appropriate for a qualifying education activity,

(2) Clearly state the specific knowledge and/or skills students are expected to acquire by completing the activity,

(3) Are consistent with the activity description,

(4) Are consistent with the textbook and other instructional materials,

(5) Are reasonably achievable within the number of hours allotted for the activity, and

(6) Include material to adequately cover the depth and breadth of the required topic area;

002.02A.2e Student and instructor materials used for the activity that:

(1) Cover the subject matter in sufficient depth to achieve the stated learning objectives,

(2) Provide appropriately balanced coverage of the subject matter in view of the stated learning objectives,

(3) Reflect current theory, methods, and techniques, and

(4) Not contain significant errors and/or deficiencies;

002.02A.2f A proctored closed-book final examination that complies with the following:

(1) The examination contains a sufficient number of questions to adequately test the subject matter covered,

(2) The amount of time devoted to examination must be appropriate for the activity,

(3) Examination questions must, individually and collectively, test at a difficulty level appropriate to measure student achievement of the stated learning objectives,

(4) Successful completion of the examination requires the student to answer a minimum of 70% of the examination questions correctly, and

(5) Examination questions must be written in a clear and unambiguous manner~~,~~; ~~and~~

~~(6) If applicable, the Appraisal Foundation USPAP final examination is utilized for the fifteen-hour Uniform Standards of Professional Appraisal Practice course;~~

002.02A.2g A written instructor qualifications policy that requires the use of instructors who meet the requirements of the Act and Section 005 of this Chapter;

002.02A.2h An attendance policy that complies with the following:

(1) For a classroom education activity, a written attendance policy that requires student attendance to be verified in accordance with the Real Property Appraiser Qualifications Criteria as adopted and promulgated by the Appraiser Qualifications Board of The Appraisal Foundation, or

(2) For a distance education activity, a written attendance policy that ensures that student achievement of the class hour requirement is met in accordance with the Real Property Appraiser Qualifications Criteria as adopted and promulgated by the Appraiser Qualifications Board of The Appraisal Foundation; and

002.02A.2i A written record retention policy;

002.02A.3 Pay a non-refundable qualifying education activity application fee as follows:

002.02A.3a ~~of~~ $50.00 for applications received on or before June 30, 2025;

002.02A.3b For applications received on July 1, 2025 through June 30, 2026:

(1) $200.00 for activities not approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for qualifying education, or

(2) $70.00 for activities approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for qualifying education;

002.02A.3c For applications received on July 1, 2026 through June 30, 2027:

(1) $350.00 for activities not approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for qualifying education, or

(2) $90.00 for activities approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for qualifying education;

002.02A.3d For applications received on or after July 1, 2027:

(1) $500.00 for activities not approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for qualifying education, or

(2) $100.00 for activities approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for qualifying education;

002.02A.4 Submit a copy of the ~~completion~~ document certifying

completion;

002.02A.5 If applicable, submit evidence that distance education activity meets the requirements of Section 001.15 of this Chapter; and

002.02A.6 If applicable, submit written evidence that the rights to the activity have been purchased or lawfully acquired from the education provider that owns rights to activity materials.

002.02B An application received at the Board s office considered to be incomplete will not be processed and may be returned to the education provider as incomplete. Any application not considered to be incomplete will be processed.

002.02B.1 An activity identified by the education provider as approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for qualifying education will be verified as such through The Appraisal Foundation s AQB Approved Courses list found on its website.

002.02B.2 Certification of an AQB Certified USPAP Instructor by the Appraiser Qualifications Board of The Appraisal Foundation will be verified through The Appraisal Foundation s Find an AQB Certified USPAP Instructor found on its website for the qualifying education fifteen-hour National Uniform Standards of Professional Appraisal Practice Course.

002.02C If the Board s director finds that the education provider and submitted activity meet the requirements in the Act and this Title, the application will be considered a completed application and the qualifying education activity may be approved by the director. If the Board s director finds that the education provider and submitted activity may not meet one or more of the requirements in the Act and this Title, the application shall be placed before the Board for consideration. If the Board finds that the education provider and submitted activity meet the requirements in the Act and this Title, the application will be considered a completed application and the qualifying education activity may be approved. The education provider will receive a written notification of approval that outlines the details, including the number of hours for which the activity is

approved.

002.02D The application may be denied by the Board at any time during the process if the education provider, submitted activity, or instructor(s) for the submitted activity fail to meet the requirements in the Act and this Title. If an application is denied, the Board will provide written notice of denial to the education provider that includes a description of the deficiencies found by the Board. The education provider has 60 days from the date of denial to rectify the deficiencies. If the deficiencies are not rectified within 60 days, the education provider may file a new application for approval of qualifying education activity, and if so, meet the requirements in place at the time a new application is submitted to the Board.

002.03 Resubmission of Approved Activity

002.03A An education provider shall resubmit a qualifying education activity for approval if:

(1) There is a change in the status of approval by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program,

(2) There is a change in the status of qualifications specified in Section 001.15 of this Chapter under which a distance education activity was approved,

(3) There is a substantial change to the materials, presentation, or policies,

(4) There is a change in the qualifications specified in Section 005 of this Chapter for any instructor,

(5) One or more instructors are added or removed by the education provider,

(6) The materials, theories, and/or methodologies are no longer current,

(7) The activity content and/or policies are no longer communicated or administered as approved, or

(8) There is a change to a secondary provider s rights to the

activity.

002.03B The process and requirements for resubmission of a qualifying education activity are the same as specified in Section 002.02 of this Chapter. If a qualifying education activity is not approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program, only the requirements under Section 002.02A.2 of this Chapter that have changed since approval was granted must be included for resubmission.

002.03C Any education provider resubmitting a qualifying education activity must provide a written explanation detailing what changes have been made to the activity since approval was granted.

002.04 Rescinding Approval

002.04A The Board may rescind approval of any qualifying education activity if the Board finds:

(1) Falsification of information submitted for activity approval,

(2) A change in approval by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program,

(3) A change in the status of the qualifications specified in Section 001.15 of this Chapter under which a distance education activity was approved,

(4) Substantial errors and/or deficiencies in the materials or presentation,

(5) The materials, theories, and/or methodologies are not current and/or practical,

(6) The activity has not been offered for a period of at least five years from the last date of completion or the approval date if activity has not been offered,

(7) The instructor(s) responsible for the activity content and presentation do not meet the qualifications specified in Section

005 of this Chapter,

(8) The activity content and/or policies are not communicated or administered as approved,

(9) A material violation of the Act or this Title by the education provider or instructor for the activity, or

(10) A change to a secondary provider s rights to the activity.

002.04B If ~~the Board finds~~ reason to rescind ~~its~~ approval of an activity is found, ~~the Board will provide~~ a written notice shall be made to the education provider that includes a description of the reason(s) for rescinding approval ~~found by the Board~~. The education provider has 60 days from the date of notice to provide a written response ~~to the Board s notice~~. If the response is satisfactory to the Board, the Board will not rescind its approval. If the response is not satisfactory to the Board, or no response is received, the Board may rescind approval of the activity. If approval is rescinded, the education provider may file a new application for approval of the qualifying education activity, and if so, meet the requirements in place at the time a new application is submitted to the Board.

## 003 CONTINUING EDUCATION

003.01 Requirements

003.01A Any continuing education activity must contribute to a credential holder s development of real property appraiser related skill, knowledge, and competency in any one or more of the following subjects:

(1) Real property appraisal practice,

(2) Valuation methodology and/or techniques,

(3) Market fundamentals, characteristics, conditions, and analysis,

(4) Real property concepts, characteristics, and analysis,

(5) Real property appraiser and client ~~C~~communication,

(6) Arbitration, dispute resolution,

(7) Ethics and standards of professional practice, USPAP,

(8) Valuation bias~~,~~ and fair housing laws and regulations~~, and/or equal opportunity~~,

(9) Land use planning, zoning,

(10) Management, leasing, timesharing,

(11) Property development, partial interests,

(12) Real estate law, easements, and legal interests,

(13) Real estate litigation, damages, condemnation,

(14) Real estate financing and investment,

(15) Real property appraisal-related computer applications,

(16) Real estate securities and syndication,

(17) Seller concessions and impact on value, and/or

(18) Energy-efficient items and green building appraisals.

003.01B Each continuing education activity shall be at least two hours in length, not to exceed eight hours of instruction in any~~per~~ day. At least a one-half hour break shall be given to credential holder(s) by no later than the end of four hours of instruction~~class~~ in any day.

003.01C The seven-hour Uniform Standards of Professional Practice ~~Update~~Continuing Education course, the four-hour valuation bias and fair housing laws and regulations course, and the seven-hour valuation bias and fair housing laws and regulations course shall be approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program~~, or meet the Appraiser Qualifications Board s requirements for approval of an equivalent seven-hour Uniform Standards of Professional Appraisal Practice Update course~~.

003.01D An activity in which the primary purpose is training in the

use of a specific software, and not utilization of a software to improve competency in real property appraisal practice does not meet the requirements for approval as a continuing education activity.

003.02 Initial Application

003.02A Any education provider applying for approval of a continuing education activity must:

003.02A.1 Submit an application for the activity on forms approved by the Board showing compliance by the education provider and the activity with all requirements established by the Act or by this Title;

003.02A.2 For an activity not approved by The Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for continuing education, submit the following:

003.02A.2a An activity description, which clearly describes the content of the activity;

003.02A.2b An activity matrix reflecting hours of credit per topic;

003.02A.2c A timed outline that accounts for the general flow and recommended time spent on topics contained within the activity;

003.02A.2d Learning objectives that:

(1) Are appropriate for a continuing education activity,

(2) Clearly state the specific knowledge and/or skills students are expected to acquire by completing the activity,

(3) Are consistent with the activity description,

(4) Are consistent with the textbook and other instructional materials,

(5) Are reasonably achievable within the number of hours allotted for the activity, and

(6) Include material to adequately cover the depth and breadth of the required topic area;

003.02A.2e Student and instructor materials used for the activity that:

(1) Cover the subject matter in sufficient depth to achieve the stated learning objectives,

(2) Provide appropriately balanced coverage of the subject matter in view of the stated learning objectives,

(3) Reflect current theory, methods, and techniques, and

(4) Not contain significant errors and/or deficiencies;

003.02A.2f If applicable, an examination that complies with the following:

(1) The examination contains a sufficient number of questions to adequately test the subject matter covered,

(2) The amount of time devoted to examination must be appropriate for the activity,

(3) Examination questions must, individually and collectively, test at a difficulty level appropriate to measure student achievement of the stated learning objectives,

(4) Successful completion of the examination requires the student to answer a minimum of 70% of the examination questions correctly, and

(5) Examination questions must be written in a clear and unambiguous manner;

003.02A.2g A written instructor qualifications policy that

requires the use of instructors who meet the requirements of the Act and Section 005 of the Chapter;

003.02A.2h An attendance policy that complies with the following:

(1) For a classroom education activity, a written attendance policy that requires student attendance to be verified in accordance with the Real Property Appraiser Qualifications Criteria as adopted and promulgated by the Appraiser Qualifications Board of The Appraisal Foundation, or

(2) For a distance education activity, a written attendance policy that ensures that student achievement of the class hour requirement is met in accordance with the Real Property Appraiser Qualifications Criteria as adopted and promulgated by the Appraiser Qualifications Board of The Appraisal Foundation; ;

003.02A.2i A written record retention policy; and

~~003.02A.2j A completed 7-Hour USPAP Course Checklist for AQB Equivalency Approval as developed and published by The Appraisal Foundation for any seven-hour Uniform Standards of Appraisal Practice Update course not approved by the Appraiser Qualifications Board of The Appraisal Foundation;~~

003.02A.3 Submit a copy of the ~~completion~~ document certifying completion;

003.02A.4 If applicable, submit written evidence that the rights to the activity have been purchased or lawfully acquired from the education provider that owns rights to activity materials;

003.02A.5 If applicable, submit evidence that distance education activity meets the requirements of Section 001.15 of this Chapter; and

003.02A.6 Pay a non-refundable continuing education activity application fee as follows:

003.02A.6a ~~of~~ $25.00 for applications received on or before June 30, 2025;

003.02A.6b For applications received on July 1, 2025 through June 30, 2026:

(1) $100.00 for activities not approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for qualifying education, or

(2) $35.00 for activities approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for qualifying education;

003.02A.6c For applications received on July 1, 2026 through June 30, 2027:

(1) $175.00 for activities not approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for qualifying education, or

(2) $45.00 for activities approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for qualifying education;

003.02A.6d For applications received on or after July 1, 2027:

(1) $250.00 for activities not approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for qualifying education, or

(2) $50.00 for activities approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for qualifying education.

003.02B An application received at the Board s office considered to

be incomplete will not be processed and may be returned to the education provider as incomplete. Any application not considered to be incomplete will be processed.

003.02B.1 An activity identified by the education provider as approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program for continuing education will be verified as such through The Appraisal Foundation s AQB Approved Courses list found on its website.

003.02B.2 Certification of an AQB Certified USPAP Instructor by the Appraiser Qualifications Board of The Appraisal Foundation will be verified through The Appraisal Foundation s Find an AQB Certified USPAP Instructor found on its website for the continuing education seven-hour National Uniform Standards of Professional Appraisal Practice ~~Update~~ Continuing Education ~~C~~course.

003.02C If the Board s director finds that the education provider and submitted activity meet the requirements in the Act and this Title, the application will be considered a completed application and the continuing education activity may be approved by the director. If the Board s director finds that the education provider and submitted activity may not meet one or more of the requirements in the Act and this Title, the application shall be placed before the Board for consideration. If the Board finds that the education provider and submitted activity meet the requirements in the Act and this Title, the application will be considered a completed application and the continuing education activity may be approved. The education provider will receive a written notification of approval, which outlines the details, including the number of hours for which the activity is approved.

003.02D The application may be denied by the Board at any time during the process if the education provider, submitted activity, or instructor(s) for the submitted activity fail to meet the requirements in the Act and this Title. If an application is denied, the Board will provide written notice of denial to the education provider that includes a description of the deficiencies found by the Board. The education provider has 60 days from the date of denial to rectify the deficiencies. If the deficiencies are not rectified within 60 days, the

education provider may file a new application for approval of continuing education activity, and if so, meet the requirements in place at the time a new application is submitted to the Board.

003.03 Resubmission of Approved Activity

003.03A An education provider shall resubmit a continuing education activity for approval if:

(1) There is a change in the status of approval by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program,

(2) There is a change in the status of qualifications specified in Section 001.15 of this Chapter under which a distance education activity was approved,

(3) There is a substantial change to the materials, presentation, or policies,

(4) There is a change in the qualifications specified in Section 005 of this Chapter for any instructor,

(5) One or more instructors are added or removed by the education provider,

(6) The materials, theories, and/or methodologies are no longer current,

(7) The activity content and/or policies are no longer communicated or administered as approved, or

(8) There is a change to a secondary provider s rights to the activity.

003.03B The process and requirements for resubmission of a continuing education activity are the same as specified in Section 003.02 of this Chapter. If a continuing education activity is not approved by the Appraiser Qualifications Board of The Appraisal Foundation through its Course Approval Program, only the requirements under Section 003.02A.2 of this Chapter that have changed since approval was granted must be included for resubmission.

003.03C Any education provider resubmitting a continuing education activity will provide a written explanation detailing what changes have been made to the activity since approval was granted.

003.04 Expiration and Rescinding Approval

003.04A Except for the seven-hour Uniform Standards of Professional Practice ~~Update~~ Continuing Education course, and the four-hour valuation bias and fair housing laws and regulations course, which expire~~s~~ on the date on which the approval by the Appraiser Qualifications Board expires, a continuing education activity expires on the date five years after the date of approval. An education provider may renew a continuing education activity not required to be resubmitted as specified in Section 003.03A of this Chapter by:

003.04A.1 Submitting an application for the activity on forms approved by the Board showing compliance by the education provider and the activity with all requirements established by the Act or by this Title; and

003.04A.2 Paying a non-refundable continuing education activity renewal application fee as follows:

003.04A.2a ~~of~~ $10.00 for applications received on or before June 30, 2025,

003.04A.2b $15.00 for applications received on July 1, 2025 through June 30, 2026,

003.04A.2c $20.00 for applications received on July 1, 2026 through June 30, 2027,

003.04A.2d $25.00 for applications received on or after July 1, 2027.

003.04B The Board may rescind approval of a continuing education activity if the Board finds:

(1) Falsification of information submitted for activity approval,

(2) A change in approval by Appraiser Qualifications Board of

The Appraisal Foundation through its Course Approval Program,

(3) A change in status of the qualifications specified in Section 001.15 of this Chapter under which a distance education activity was approved,

(4) Substantial errors and/or deficiencies in the materials or presentation,

(5) The materials, theories, and/or methodologies are not current and/or practical,

(6) The instructor(s) responsible for the activity content and presentation do not meet the qualifications specified in Section 005 of this Chapter,

(7) The activity content and/or policies are not communicated or administered as approved,

(8) A material violation of the Act or this Title by the education provider or instructor for the activity, or

(9) A change in the secondary provider s rights to the activity.

003.04C If ~~the Board finds~~ reason to rescind ~~its~~ approval of an activity is found, ~~the Board will provide~~ a written notice shall be made to the education provider that includes a description of the reasons for rescinding approval ~~found by the Board~~. The education provider has 60 days from the date of notice to provide a written response ~~to the Board s notice~~. If the response is satisfactory to the Board, the Board will not rescind its ~~prior~~ approval. If the response is not satisfactory to the Board, or no response is received, the Board may rescind approval of the activity. If approval is rescinded, the education provider may file a new application for approval of the continuing education activity, and if so, meet the requirements in place at the time a new application is submitted to the Board.

## 004 SUPERVISORY REAL PROPERTY APPRAISER AND TRAINEE COURSE

004.01 Requirements

004.01A Each supervisory real property appraiser and trainee course shall be at least two hours in length, not to exceed eight hours of instruction in any~~per~~ day. At least a one-half hour break shall be given to attendee(s) by no later than the end of four hours of instruction~~class~~ in any day.

004.02 Course Objectives

004.02A The course must provide adequate information to ensure the supervisory real property appraiser understands the qualifications and responsibilities of that role. Specifically, that the attendee(s) understand:

(1) Minimum qualifications for becoming and remaining a supervisory real property appraiser,

(2) Jurisdictional credentialing requirements for both supervisory real property appraisers and trainee real property appraisers,

(3) Expectations and responsibilities of being a supervisory real property appraiser,

(4) Basics of the Uniform Standards of Professional Appraisal Practice,

(5) Responsibilities and requirements of a supervisory real property appraiser in maintaining and signing all appropriate trainee real property appraiser experience logs, and

(6) Expectations and responsibilities of the trainee real property appraiser.

004.02B The course must provide adequate information to ensure that a trainee real property appraiser understands the qualifications and responsibilities of that role. Specifically, that the attendee(s) understand:

(1) Minimum qualifications for becoming and remaining a trainee real property appraiser,

(2) Jurisdictional credentialing requirements for trainee real property appraisers,

(3) Minimum qualifications for becoming and remaining a supervisory real property appraiser,

(4) Processes and roles of the entities involved in establishing qualifications for real property appraisers,

(5) Expectations and responsibilities of the trainee real property appraiser,

(6) Qualifications to become a real property appraiser,

(7) Basics of the Uniform Standards of Professional Appraisal Practice, and

(8) Responsibilities and requirements of a trainee real property appraiser s role in maintaining and signing all appropriate trainee real property appraiser experience logs.

004.03 Course Content

004.03A The course must provide adequate information pertaining to qualification and credentialing entities. Specifically, the following shall be included:

(1) The role of The Appraisal Foundation,

(2) The role of the Appraiser Qualifications Board in establishing qualifications for real property appraisers,

(3) The jurisdiction s role in issuing real property appraiser credentials and disciplining real property appraisers,

(4) The typical structure of real property appraiser regulating bodies, and overview of the role of professional real property appraiser organizations.

004.03B The course must provide adequate information pertaining to qualifications for real property appraiser credentials. Specifically, the following shall be included:

(1) Minimum qualifications for each real property appraiser classification,

(2) Education, experience, and examination requirements for

trainee, licensed residential, certified residential, and certified general real property appraiser credential, and

(3) Supervisory real property appraiser qualifications.

004.03C The course must provide an overview of the Uniform Standards of Professional Appraisal Practice relevant to trainee real property appraisers, which shall include the following topics:

(1) Ethics Rule,

(2) Competency Rule,

(3) Scope of Work Rule,

(4) Record Keeping Rule, and

(5) Standard 1 (Development) and Standard 2 (Reporting).

004.03D The course must provide adequate information pertaining to the requirements, expectations, and responsibilities of a supervisory real property appraiser, and at a minimum, include and discuss the following topics:

(1) The expectations and responsibilities of the supervisory real property appraiser to provide the trainee real property appraiser with a basic understanding of the Uniform Standards of Professional Appraisal Practice,

(2) The expectations and responsibilities of the supervisory real property appraiser to understand the minimum requirements of both the supervisory real property appraiser and trainee real property appraiser,

(3) The expectations and responsibilities of the supervisory real property appraiser to provide proper guidance to the trainee real property appraiser when he or she selects a specific credentialing path (i.e., licensed residential, certified residential, or certified general),

(4) The expectations and responsibilities of the supervisory real property appraiser to monitor the trainee real property appraiser s progress in satisfying both the education and

experience requirements necessary to achieve his or her selected credentialing path,

(5) The expectations and responsibilities of the supervisory real property appraiser to verify that the supervisory real property appraiser and trainee real property appraiser are properly documenting all appropriate real property appraisal practice experience logs,

(6) The expectations and responsibilities of the supervisory real property appraiser to accompany the trainee real property appraiser on all inspections until the trainee real property appraiser is competent to conduct inspections independently,

(7) The expectations and responsibilities of the supervisory real property appraiser to monitor and provide assignments and duties that ensure the trainee real property appraiser is developing an understanding and progression of knowledge and experience of valuation methodologies and approaches to value applicable to the level of credential to be obtained,

(8) The expectations and responsibilities of the supervisory real property appraiser to verify that the trainee real property appraiser is properly identified and acknowledged in the report in compliance with the Uniform Standards of Professional Appraisal Practice, and

(9) The expectations and responsibilities of the supervisory real property appraiser to immediately notify the trainee real property appraiser if the supervisory real property appraiser is no longer qualified to supervise and/or sign the trainee real property appraiser s experience log.

004.03E The course must provide adequate information pertaining to the requirements, expectations, and responsibilities of a trainee real property appraiser, and at a minimum, include and discuss the following topics:

(1) The expectations and responsibilities of the trainee real property appraiser to have a basic understanding of the minimum requirements to become a trainee real property appraiser,

(2) The expectations and responsibilities of the trainee real property appraiser to have an understanding about the importance of selecting an appropriate supervisory real property appraiser. Points covered shall include:

a) Description of the supervisory real property appraiser-trainee real property appraiser relationship as a long-term commitment by both parties,

b) Information indicating that the supervisory real property appraiser-trainee real property appraiser relationship is inherently connected to the good standing of the supervisory real property appraiser,

c) Information regarding the importance of selecting a supervisory real property appraiser with the experience and competency that best matches the trainee real property appraiser s selected credentialing path, and

d) Options for a trainee real property appraiser if a supervisory real property appraiser is no longer qualified to serve as a supervisory real property appraiser.

(3) The expectations and responsibilities of the trainee real property appraiser to have an understanding of how to determine if a real property appraiser is qualified and in good standing to be a supervisory real property appraiser by searching the ~~Appraisal Subcommittee~~ Appraiser Registry of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council and/or jurisdictional websites,

(4) The expectations and responsibilities of the trainee real property appraiser to understand it is the supervisory real property appraiser s responsibility to monitor the progression of the trainee real property appraiser s education and experience necessary to achieve the trainee real property appraiser s selected credentialing path,

(5) The expectations and responsibilities of the trainee real property appraiser to understand it is the supervisory real property appraiser s responsibility to provide assignments and duties that ensure the trainee real property appraiser is developing an understanding and progression of knowledge

and experience of valuation methodologies and approaches to value applicable to the level of credential to be obtained,

(6) The expectations and responsibilities of the trainee real property appraiser to understand the responsibilities of both the trainee real property appraiser and the supervisory real property appraiser in properly documenting all appropriate trainee real property appraiser s real property appraisal practice experience logs, and

(7) The expectations and responsibilities of the trainee real property appraiser to understand the supervisory real property appraiser must accompany the trainee real property appraiser on all inspections until he or she is competent to conduct inspections independently.

004.03F The course shall include elective real property appraiser education as determined by the education provider. Education providers are strongly encouraged to address State law and regulations, and the effect of those laws and regulations on supervisory real property appraisers and trainee real property appraisers. This section may include the following topics:

(1) Overview of state laws, regulations, and policies pertaining to real property appraisal practice,

(2) Overview of the investigation process, including how it pertains to the following:

a) A grievance against a trainee real property appraiser,

b) A grievance against a supervisory real property appraiser,

c) Acts or omissions considered grounds for disciplinary action or denial of an application, and

d) Formal complaints, formal hearings, and administrative law.

004.04 Initial Application

004.04A Any education provider applying for approval of a

supervisory real property appraiser and trainee course must:

004.04A.1 Submit an application for the course on forms approved by the Board showing compliance by the education provider and the course with all requirements established by the Act or by this Title;

004.04A.2 Submit the following:

004.04A.2a A course description that clearly describes the content of the course, and meets the requirements specified in Section 004.03 of this Chapter;

004.04A.2b A course matrix reflecting hours of credit per topic;

004.04A.2c A timed outline that accounts for the general flow and recommended time spent on topics contained within the course;

004.04A.2d Learning objectives that meet the requirements specified in Section 004.02 of this Chapter, and that:

(1) Clearly state the specific knowledge and/or skills students are expected to acquire by completing the activity,

(2) Are consistent with the activity description,

(3) Are consistent with the textbook and other instructional materials,

(4) Are reasonably achievable within the number of hours allotted for the activity, and

(5) Include material to adequately cover the depth and breadth of the required topic area;

004.04A.2e Student and instructor materials used for the course that:

(1) Cover the subject matter in sufficient depth to

achieve the stated learning objectives,

(2) Provide appropriately balanced coverage of the subject matter in view of the stated learning objectives,

(3) Reflect current theory, methods, and techniques, and

(4) Not contain significant errors and/or deficiencies;

004.04A.2f A closed-book final examination that complies with the following:

(1) The examination contains a sufficient number of questions to adequately test the subject matter covered,

(2) The amount of time devoted to examination must be appropriate for the activity,

(3) Examination questions must, individually and collectively, test at a difficulty level appropriate to measure student achievement of the stated learning objectives, and

(4) Successful completion of the examination requires the student to answer a minimum of 70% of the examination questions correctly,

(5) Examination questions must be written in a clear and unambiguous manner;

004.04A.2g A written instructor qualifications policy that requires the use of instructors who meet the requirements of the Act and Section 005 of this Chapter;

004.04A.2h An attendance policy that complies with the following:

(1) For a classroom education course, a written attendance policy that requires student attendance to be verified in accordance with the Real Property Appraiser Qualifications Criteria as adopted and

promulgated by the Appraiser Qualifications Board of The Appraisal Foundation, or

(2) For a distance education course, a written attendance policy that ensures that student achievement of the class hour requirement is met in accordance with the Real Property Appraiser Qualifications Criteria as adopted and promulgated by the Appraiser Qualifications Board of The Appraisal Foundation; and

004.04A.2i A written record retention policy;

004.04A.3 Pay a non-refundable new supervisory real property appraiser and trainee course application fee as follows:

004.04A.3a ~~of~~ $25.00 for applications received on or before June 30, 2025,

004.04A.3b $100.00 for applications received on July 1, 2025 through June 30, 2026,

004.04A.3c $175.00 for applications received on July 1, 2026 through June 30, 2027,

004.04A.3d $250.00 for applications received on or after July 1, 2027;

004.04A.4 Submit a copy of the ~~completion~~ document of completion;

004.04A.5 If applicable, submit evidence that ~~online or correspondence~~ distance education activity meets the requirements of Section 001.15 of this Chapter; and

004.04A.6 If applicable, submit written evidence that the rights to the activity have been purchased or lawfully acquired from the education provider that owns rights to activity materials.

004.04B An application received at the Board s office considered to be incomplete will not be processed and may be returned to the education provider as incomplete. Any application not considered to be incomplete will be processed.

004.04B.1 Certification of an AQB Certified USPAP Instructor by the Appraiser Qualifications Board of The Appraisal Foundation will be verified through The Appraisal Foundation s Find an AQB Certified USPAP Instructor found on its website for a supervisory real property appraiser and trainee course.

004.04C If the Board s director finds that the education provider and submitted course meet the requirements in the Act and this Title, the application will be considered a completed application and the supervisory real property appraiser and trainee course may be approved by the director. If the Board s director finds that the education provider and submitted course may not meet one or more of the requirements in the Act and this Title, the application shall be placed before the Board for consideration. If the Board finds that the education provider and submitted course meet the requirements in the Act and this Title, the application will be considered a completed application and the supervisory real property appraiser and trainee course may be approved. The education provider will receive a written notification of approval, which outlines the details, including the number of hours for which the course is approved.

004.04D The application may be denied by the Board at any time during the process if the education provider, submitted course, or instructor(s) for the submitted course fail to meet the requirements in the Act and this Title. If an application is denied, the Board will provide written notice of denial to the education provider that includes a description of the deficiencies found by the Board. The education provider has 60 days from the date of denial to rectify the deficiencies. If the deficiencies are not rectified within 60 days, the education provider may file a new application for approval of a supervisory real property appraiser and trainee course, and if so, meet the requirements in place at the time a new application is submitted to the Board.

004.05 Resubmission of Approved Supervisory Real Property Appraiser and Trainee Course

004.05A An education provider shall resubmit a supervisory real property appraiser and trainee course for approval if:

(1) There is a substantial change to the materials, presentation,

or policies,

(2) There is a change in the qualifications as specified in Section 005 of this Chapter for any instructor,

(3) One or more instructors are added or removed by the education provider,

(4) The materials, theories, and/or methodologies are no longer current,

(5) The course content and/or policies are no longer communicated or administered as approved,

(6) There is a change in the status of qualifications specified in Section 001.15 of this Chapter under which a distance education activity was approved, or

(7) There is a change to a secondary provider s rights to the activity.

004.05B The process and requirements for resubmission of a supervisory real property appraiser and trainee course are the same as specified in Section 004.04 of this Chapter. Only the requirements under Section 004.04A.2 of this Chapter that have changed since approval was granted must be included for resubmission.

004.05C Any education provider resubmitting a supervisory real property appraiser and trainee course will provide a written explanation detailing what changes have been made to the course since approval was granted.

004.06 Rescinding of Approval

004.06A The Board may rescind approval of a supervisory real property appraiser and trainee course if the Board finds:

(1) Falsification of information submitted for activity approval,

(2) Substantial errors and/or deficiencies in the materials or presentation,

(3) The materials, theories, and/or methodologies are not current and/or practical,

(4) The instructor(s) responsible for the activity content and presentation do not meet the qualifications specified in Section 005 of this Chapter,

(5) The activity has not been offered for a period of at least five years from the last date of completion submitted to the Board or the approval date if activity has not been offered,

(6) The course content and/or policies are not communicated to the attendee(s) as approved,

(7) A material violation of the Act or this Title by the education provider or instructor for the activity,

(8) A change in the status of qualifications specified in Section 001.15 of this Chapter under which a distance education activity was approved, or

(9) A change to a secondary provider s rights to the activity.

004.06B If ~~the Board finds~~ reason to rescind ~~its~~ approval of a course is found, ~~the Board will provide~~ a written notice shall be made to the education provider that includes a description of the reasons for rescinding approval ~~found by the Board~~. The education provider has 60 days from the date of notice to provide a written response ~~to the Board s notice~~. If the response is satisfactory to the Board, the Board will not rescind its ~~prior~~ approval. If the response is not satisfactory to the Board, or no response is received, the Board may rescind approval of the supervisory real property appraiser and trainee course. If approval is rescinded, the education provider may file a new application for approval of a supervisory real property appraiser and trainee course, and if so, meet the requirements in place at the time a new application is submitted to the Board.

## 005 INSTRUCTORS

Any instructor(s) that meets the education provider s instructor qualifications policy, who is responsible for ensuring that the activity content is communicated to the activity s audience as approved, must be identified on

the education provider s application submitted for approval of the activity. Such identification must include first name, last name, email address, and phone number, and state the instructor s qualification as specified in Section 005.01 of this Chapter.

005.01 An instructor for any qualifying education activity, continuing education activity, or supervisory real property appraiser and trainee course, must satisfy at least one of the following qualifications:

005.01A Hold a bachelor s degree in any field and have at least three years of experience directly related to the subject matter to be taught;

005.01B Hold a master s degree or higher in any field and have at least one year of experience directly related to the subject matter to be taught;

005.01C Hold a master s degree or higher in a field that is directly related to the subject matter to be taught;

005.01D Have five years of real property appraisal practice teaching experience directly related to the subject matter to be taught; or

005.01E Have seven years of real property appraisal practice experience directly related to the subject matter to be taught.

005.02 An instructor for any qualifying education activity, continuing education activity, or supervisory real property appraiser and trainee course, must meet qualifications established pursuant to any other applicable law.

005.03 An instructor for any qualifying education activity, continuing education activity, or supervisory real property appraiser and trainee course, who holds a credential as a real property appraiser in Nebraska or an appraiser credential in any other jurisdiction shall:

005.03A Maintain each credential in good standing in accordance with the laws of the jurisdiction in which each credential is held;

005.03B Not have had a credential revoked, suspended, or have surrendered a credential in lieu of disciplinary action within ~~three~~five years; and

005.03C Not have had disciplinary action taken against his or her credential that may constitute a violation of NEB. REV. STAT. § 76-2238 within ~~three~~five years.

005.04 An instructor for the qualifying education fifteen-hour National Uniform Standards of Professional Appraisal Practice Course, the continuing education seven-hour National Uniform Standards of Professional Appraisal Practice ~~Update~~Continuing Education Course, and/or the supervisory real property appraiser and trainee course, must be an AQB Certified USPAP Instructor, certified by the Appraiser Qualifications Board of The Appraisal Foundation.

005.05 The standing of an instructor identified on an education provider s application submitted for approval, who holds a credential as a real property appraiser in Nebraska or an appraiser credential in any other jurisdiction, may be verified through the Appraiser Registry of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

**TITLE 298 NAC - NEBRASKA REAL PROPERTY APPRAISER BOARD**

**CHAPTER 7 APPRAISAL MANAGEMENT COMPANY REGISTRATION**

## 001 APPLICATION

To qualify for registration as an appraisal management company, an applicant must comply with all of the provisions of the AMC Act and this Title relating to registration.

001.01 Any applicant for registration as an appraisal management company must:

001.01A Submit an application and required documentation on forms approved by the Board showing compliance by the applicant with all registration requirements established by the AMC Act or by this Title; and

001.01B Pay a non-refundable application fee of $350.00.

001.02 Any application received at the Board s office considered to be incomplete will not be processed and may be returned to the applicant as incomplete. Any application not considered to be incomplete will be processed.

001.03 If the Board s director finds that the applicant meets the general requirements in the AMC Act and this Title, the application will be considered a completed application, and the applicant may be issued a registration as an appraisal management company. If the Board s director finds that the applicant may not meet one or more of the requirements in the AMC Act and this Title, the application shall be placed before the Board for consideration. If the Board finds that the applicant meets the general requirements in the AMC Act and this Title, the application will be considered a completed application and registration as an appraisal management company may be issued to the applicant.

001.04 Within sixty days of approval, the applicant may be issued registration as an appraisal management company, and before the applicant is authorized to conduct business as an appraisal management company in this State, the applicant shall:

001.04A Pay a non-refundable initial registration fee of $2000.00;

001.04B On a form approved by the Board, submit the following information for any AMC appraiser who has performed an appraisal of real property or real estate for the applicant in connection with a covered transaction in the State of Nebraska during the twelve-month period ending ninety days prior to the date on which issuance of a registration to the applicant was approved. This requirement does not apply to appraisal management services provided by the applicant exempt under NEB. REV. STAT. § 76-3204:

(1) First and last name,

(2) Credential number,

(3) Number of appraisals performed,

(4) Earliest appraisal submission date, and

(5) Latest appraisal submission date; and

001.04C Pay an annual AMC Registry fee in the amount of $25.00 for each AMC Appraiser reported pursuant to Section 004.01B of this Chapter.

001.05 If an applicant fails to provide the required fees as specified in Section 001.04 of this Chapter, the application will be placed before the Board for reconsideration.

001.06 Upon receipt of the required fees at the Board s office, the applicant will be issued:

001.06A A letter notifying the organization of their status as a Nebraska registered appraisal management company; and

001.06B A wall certificate on a form approved by the Board.

001.07 The Board may deny an application at any time during the process if the Board finds that the applicant fails to meet the requirements in the AMC Act and/or this Title that pertain to registration. If the Board denies an application for any reason excluding the criminal history record check, the applicant may file a new application, and if so, meet the requirements in place at the time a new application is submitted to the Board.

001.08 If the fingerprint-based national criminal history record check result is the basis for denial, the individual is entitled to a copy of his or her national criminal history record, and an opportunity to dispute the result.

001.08A In order to receive a copy of such record, the individual shall:

001.08A.1 In person, complete a form approved by the Board that relieves the Board from any liability related to the release of the national criminal history record; and

001.08A.2 Present a passport, driver s license, or other government-issued identification card with a photograph to be copied by the Board.

001.08B If the individual provides evidence acceptable to the Board that the fingerprint-based national criminal history record check result that was the basis for denial is incorrect, the Board may reconsider the application.

001.09 Every Appraisal Management Company registered in the State of Nebraska shall keep the Board informed of the organization s principal place of doing business and notify the Board in writing within ten (10) calendar days of any change of such address or telephone number.

## 002 RENEWAL

An applicant for renewal of an appraisal management company registration must comply with all of the provisions of the AMC Act and this Title relating to registration.

002.01 Any applicant for renewal of a registration as an appraisal management company must, no later than sixty days prior to the expiration of the current registration:

002.01A Submit an application and required documentation on forms approved by the Board showing compliance by the applicant with all registration and renewal requirements established by the AMC Act and by this Title, which includes the following information for any AMC appraiser who has performed an appraisal of real property or real estate for the applicant in connection with a

covered transaction in the State of Nebraska during the twelve-month period ending ninety days prior to the expiration date of the current registration:

(1) First and last name,

(2) Credential number,

(3) Number of appraisals performed,

(4) Earliest appraisal submission date, and

(5) Latest appraisal submission date;

002.01B Pay a non-refundable renewal registration fee as follows:

002.01B.1 ~~of~~ $1500.00 for applications received on or before June 30, 2025,

002.01B.2 $1700.00 for applications received on July 1, 2025 through June 30, 2026,

002.01B.3 $1850.00 for applications received on July 1, 2026 through June 30, 2027,

002.01B.4 $2000.00 for applications received on or after July 1, 2027; and

002.01C Pay an annual AMC Registry fee in the amount of $25.00 for each AMC Appraiser reported pursuant to Section 002.01A of this Chapter.

002.02 Any application received at the Board s office considered to be incomplete will not be processed and may be returned to the applicant as incomplete. Any application not considered to be incomplete will be processed.

002.03 If the applicant meets the general requirements in the AMC Act and this Title, the application will be considered a completed application, and the registration may be renewed by board staff. If the Board s director finds that the applicant may not meet one or more of the requirements in the AMC Act and this Title, the application shall be placed before the Board for consideration. If the Board finds that the

applicant meets the general requirements in the AMC Act and this Title, the application will be considered a completed application and the registration may be renewed. Upon approval, the appraisal management company will receive a letter notifying the organization of their status as a Nebraska registered appraisal management company.

002.04 The Board may deny an application at any time during the process if the Board finds that the applicant fails to meet the requirements in the AMC Act and/or this Title that pertain to registration or renewal. If the Board denies renewal of a registration for any basis excluding the criminal history record check, the applicant may file a new application, and if so, meet the requirements in place at the time a new application is submitted to the Board.

002.05 If the fingerprint-based national criminal history record check result is the basis for denial, the individual is entitled to a copy of his or her national criminal history record, and an opportunity to dispute the result.

002.05A In order to receive a copy of such record, the individual shall:

002.05A.1 In person, complete a form approved by the Board that relieves the Board from any liability related to the release of the national criminal history record, and

002.05A.2 Present a passport, driver s license, or other government-issued identification card with a photograph to be copied by the Board.

002.05B If the individual provides evidence acceptable to the Board that the fingerprint-based national criminal history record check result that was the basis for denial is incorrect, the Board may reconsider the application.

002.06 Any appraisal management company who fails to meet the renewal application requirements specified in Section 002.01 of this Chapter may be eligible for renewal of a registration if, within six months of the registration expiration date, the requirements specified in Section 002.01A through Section 002.01C of this Chapter are met and a late processing fee of $25.00 for each month or portion of a month the renewal application requirements are not met is received at the Board s office.

002.07 Any appraisal management company who fails to meet the requirements in the AMC Act and this Title pertaining to the renewal of a registration is not eligible for renewal and may submit an application for a new registration.

002.08 Any person who continues to perform as an appraisal management company or related activities subject to the AMC Act following the date of expiration of a registration is in violation of the AMC Act and of this Title. Such person will be subject to any restrictions and penalties provided by the AMC Act or by this Title, and any application by such person for a registration shall be subject to all requirements for issuance of a new registration.

## 003 FEDERALLY REGULATED APPRAISAL MANAGEMENT COMPANIES

A federally regulated appraisal management company must report all information required to be submitted to the Appraisal Subcommittee pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, the AMC rule, and any policy or rule established by the Appraisal Subcommittee related to its operation in this state, including, but not limited to, the collection of information related to ownership.

003.01 Any federally regulated appraisal management company that does not hold a registration as an appraisal management company issued by the Board must submit the information required for the AMC Registry on a form approved by the Board.

003.02 Pay an annual AMC Registry fee in the amount of $25.00 for each AMC Appraiser reported pursuant to Section 003.01 of this Chapter; and

003.03 Pay a non-refundable reporting form processing fee of $350.00.

# TITLE 298 NAC - NEBRASKA REAL PROPERTY APPRAISER BOARD

# CHAPTER 8 INVESTIGATIONS AND DISCIPLINARY PROCEEDINGS

## 001 GENERAL

001.01 The Board will not enter into disputes that solely concern the valuation of any property.

001.02 Except for those filed by the Board, all grievances shall be in writing and signed, setting forth in clear and concise language the alleged violations of the Act, AMC Act, and/or the Rules and Regulations of the Board. Any documentation in support of the alleged violations shall be included with the grievance.

001.03 Nothing in this Chapter limits or precludes the Board in the performance of its investigatory duties under the Act or AMC Act.

001.04 All disciplinary hearings for any violation of the Act, AMC Act, and/or this Title will be governed by the Administrative Procedures Act and 297 NAC 4.

001.05 All investigations or disciplinary actions that are not formally dismissed are published on the Board s website ~~for a period of ten years~~ from the date of execution of a consent agreement or the date of order resulting in disciplinary action, and reported to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council as required.

## 002 VIOLATION OF REAL PROPERTY APPRAISER ACT

002.01 Any person in the State of Nebraska is subject to the procedures established by this Chapter for any alleged violations of the Act, the standards established by this Title, or of this Title. Such procedure shall not suspend or preclude any other proceedings otherwise allowed by the Act or by other law.

002.02 If technical assistance is required to assist with the investigation and/or hearing, the Board may contract with or use a qualified person. A member of the Board may participate in the investigation; however, no board member may vote on any matter in which he or she is appointed by his or her fellow board members to participate in an investigation. Any person in contract with the Board to provide technical

assistance for an investigation reports his or her findings to the Board s investigator as requested.

002.03 Upon receipt of a grievance not filed by the Board, the following steps are generally followed:

002.03A If applicable, the aggrieved person will be notified in writing that the grievance has been received, and provided the investigation number assigned to the grievance and directions to follow the matter through the minutes of the Board meetings in which the grievance is discussed.

002.03B The person against whom the grievance is filed will be notified in writing of the grievance and the allegations, and may be requested to:

002.03B.1 Submit true copies of report(s) and workfile(s), within an appropriate period of time as determined by the investigator; and/or

002.03B.2 Answer the allegations in writing, electronically, or verbally as determined by the investigator.

002.03C The Board s investigator evaluates the grievance, along with any information obtained pursuant to Section 002.03B of this Chapter, to determine jurisdiction and make a preliminary determination as to whether any violations of the Act or this Title have been alleged. Upon conclusion of the evaluation, the investigator will make a presentation to the Board as to whether sufficient evidence exists to proceed with an investigation.

002.03D The Board reviews the evidence provided by the investigator and determines whether the allegation(s) should be dismissed, or whether the allegation(s) should be investigated.

002.03D.1 If the Board determines that the allegations(s) should be investigated, the person under investigation will be notified of the investigation and any alleged violations of the Act or this Title in writing; or

002.03D.2 If the Board determines that the allegation(s) should be dismissed, the person under investigation will be notified of dismissal in writing.

002.04 For a grievance filed by the Board, the following steps are generally followed:

002.04A The person against whom the Board is considering filing a grievance will be notified in writing of the Board s concerns, and may be requested to submit true copies of report(s) and workfile(s), along with other information, within an appropriate period of time as determined by the investigator.

002.04B The Board s investigator evaluates the matter, along with any information obtained pursuant to Section 002.04A of this Chapter, to determine jurisdiction and make a preliminary determination as to whether any violations of the Act or this Title have been alleged. Upon conclusion of the evaluation, the investigator will make a presentation to the Board as to whether sufficient evidence exists to proceed with an investigation.

002.04C The Board reviews the evidence provided by the investigator and determines whether the matter should be investigated.

002.04C.1 If the Board determines that the matter should be investigated, the Board files a grievance and notifies the person under investigation of grievance, including any alleged violations of the Act or this Title in writing; or

002.04C.2 If the Board determines that the matter should not be investigated, notice of such determination is provided to the person against whom the Board was considering filing a grievance.

002.05 If the Board determines to proceed with an investigation, the following steps are generally followed:

002.05A In conducting an investigation, and prior to filing a formal complaint on the grievance, the person who is under investigation may be requested to:

002.05A.1 Submit additional documentation within an appropriate period of time as determined by the investigator; and/or

002.05A.2 Provide a response to the results of one or more

technical reviews, and/or provide any other information concerning the investigation, in writing, electronically, or verbally as determined by the investigator.

002.05B In conducting an investigation, the aggrieved person may be requested to:

002.05B.1 Submit documentation and other information as requested;

002.05B.2 Respond to any request for information in writing, electronically, or verbally as determined by the investigator; and/or,

002.05B.3 Discuss the allegations with the investigator.

002.05C In conducting an investigation, the investigator may interview or request information in writing, electronically, or verbally as determined by the investigator, from any other person.

002.05D Upon the conclusion of an investigation, the Board s investigator may prepare an investigative report. The report includes documentation that supports the findings as needed to dismiss the allegation(s), or:

002.05D.1 In the case of a credential holder, file a formal complaint.

002.05D.2 In the case of a person not holding a credential under the Act, issue a cease and desist order or refer the investigation to the appropriate county attorney for the consideration of formal charges.

002.05E The Board may offer the person an opportunity to informally discuss the alleged violation(s) before the Board or with representative(s) of the Board, request further investigation, dismiss the allegation(s), or:

002.05E.1 In the case of a credential holder, file a formal complaint.

002.05E.2 In the case of a person not holding a credential under the Act, issue a cease and desist order or refer the

investigation to the appropriate county attorney for the consideration of formal charges.

002.05F If the investigation reveals that there is not good cause to believe that the person under investigation has violated the Act or this Title, or the violation(s) is/are minor in nature as determined by the Board, the matter will be dismissed, and no formal complaint will be initiated by the Board, or cease and desist order issued by the Board. Upon dismissal, the Board may issue an advisory opinion, recommend a specific education activity, request to meet with the person under investigation to discuss the matter, or make any other recommendation that the Board deems beneficial to the person under investigation.

002.05G If the investigation discloses evidence that the actions of the person under investigation constitute a violation of the Act or this Title:

002.05G.1 A formal complaint is prepared by the Board and served upon the credential holder under investigation.

002.05G.2 A cease and desist order may be prepared by the Board and served upon the non-credential holder under investigation.

002.06 The Board may enter into a consent agreement or negotiated settlement at any time during an investigation, any time before a cease and desist order is issued in the case of a person not holding a credential under the Act, or any time after filing a formal complaint for any person credentialed under the Act. Voluntary surrender or nonrenewal of a credential or education activity to avoid or expedite enforcement or disciplinary action does not preclude any enforcement action or sanction for any alleged violation. In addition, voluntary surrender or nonrenewal of a credential will prohibit the credential holder from applying for subsequent reinstatement or credentialing.

002.07 Disciplinary action taken by the Board may include but is not limited to:

(1) Revocation of a credential or education activity,

(2) Suspension of a credential or education activity,

(3) Denial of any application,

(4) Probation,

(5) Admonishment,

(6) Censure,

(7) Reprimand,

(8) Advisement,

(9) Education,

(10) Examination,

(11) Real property appraisal practice experience,

(12) Limit or limitations on a credential holder or applicant, and/or upon the right to engage in real property appraisal practice and trainee real property appraiser supervision,

(13) Cease and desist order, and

(14) Costs associated with investigation.

002.08 Pursuant to NEB. REV. STAT. § 76-2248.01, at any time during or upon completion of an investigation, whenever in the judgement of the Board, any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of the Act or this Title, the Board may request that Attorney General maintain an action in the name of the State of Nebraska to abate and temporarily and permanently enjoin such acts and practices and to enforce compliance with the Act or this Title.

002.09 Supervisory Real Property Appraiser

002.09A If any report submitted to the Board by a trainee real property appraiser for verification of experience as an applicant for credentialing is found to contain Uniform Standard of Professional Appraisal Practice deficiencies, the supervisory real property appraiser is notified of the Board s concerns, and is provided a redacted copy of any technical review of the subject report completed at the request of the Board.

002.09B The supervisory real property appraiser may be requested to:

002.09B.1 Submit documentation, including but not limited to, report(s) and workfile(s);

002.09B.2 Answer the results of a technical review in writing; and/or

002.09B.3 Voluntarily and informally discuss the results of a technical review with one or more board members.

002.09C If the Board finds that there is not good cause to believe that the supervisory real property appraiser has violated the Act or this Title~~the Rules and Regulations promulgated by the Board~~, no consideration will be given to the certified real property appraiser s future activity as a supervisory real property appraiser.

002.09D If the Board finds a probability that the actions of the supervisory real property appraiser constitute a violation of the Act or this Title~~the Rules and Regulations~~, a written advisement may be issued, which may or may not include a recommendation for the supervisory real property appraiser to take additional action; or the Board may upon its own motion cause an investigation to be made. If the Board determines to proceed with an investigation, the steps in Section 002.05 of this Chapter are generally followed.

002.10 Education Provider

002.10A If the actions of an education provider constitute an alleged violation of the Act or this Title, the education provider is notified of the Board s concerns in writing.

002.10B The education provider may be requested to answer the allegations in writing, submit documentation as requested, and/or voluntarily and informally discuss the alleged violations with the Board or its investigator.

002.10C If the Board finds that there is not good cause to believe that the education provider has violated the Act or this Title, the education provider will be notified in writing, which may or may not include advisement.

002.10D If the Board finds a probability that the actions of the education provider constitute a violation of the Act or this Title, the Board may upon its own motion, cause an investigation to be made. If the Board determines to proceed with an investigation, the steps in Section 002.05 of this Chapter are generally followed. If applicable, the education provider is notified of the Board s intent to rescind approval of an activity and any actions that may mitigate the Board s concerns.

## 003 VIOLATION OF THE AMC REGISTRATION ACT

003.01 All registered appraisal management companies and all applicants for a registration in the State of Nebraska are subject to the complaint procedures established by this Chapter for any alleged violations of the AMC Act, the standards established by this Title, or of this Title. Such procedure shall not suspend or preclude any other proceedings otherwise allowed by the AMC Act or by other law.

003.02 If technical assistance is required to assist with the investigation and/or hearing, the Board may contract with or use qualified individuals or companies. A member of the Board may participate in the investigation; however, no board member may vote on any matter in which he or she was appointed by his or her fellow board members to participate in an investigation. Any person under contract with the Board to provide technical assistance for an investigation reports his or her findings to the Board s investigator as requested.

003.03 Upon receipt of a grievance not filed by the Board, the following steps are generally followed:

003.03A If applicable, the aggrieved person is notified in writing that the grievance has been received, and provided the investigation number assigned to the grievance and directions to follow the matter through the minutes of the Board meetings in which the grievance is discussed.

003.03B The person against whom the grievance is filed is notified in writing of the grievance and the allegations, and may be requested to answer the allegations in writing, electronically, or verbally within an appropriate period of time as determined by the investigator.

003.03C The Board s investigator evaluates the grievance, along

with any information obtained pursuant to Section 003.03B of this Chapter, to determine jurisdiction and to make a preliminary determination as to whether any violations of the AMC Act or this Title have been alleged. Upon conclusion of the evaluation, the investigator will make a presentation to the Board as to whether sufficient evidence exists to proceed with an investigation.

003.03D The Board reviews the evidence provided by the investigator and determines whether the allegation(s) should be dismissed, or whether the allegation(s) should be investigated.

003.03D.1 If the Board determines that the allegations(s) should be investigated, the person under investigation is notified of the investigation and any alleged violations of the AMC Act or this Title in writing; or

003.03D.2 If the Board determines that the allegation(s) should be dismissed, the person under investigation is notified of dismissal in writing.

003.04 For a grievance filed by the Board, the following steps are generally followed:

003.04A The person against whom the Board is considering filing a grievance is notified in writing of the Board s concerns, and may be requested to submit information within an appropriate period of time as determined by the investigator.

003.04B The Board s investigator evaluates the matter, along with any information obtained pursuant to Section 003.04A of this Chapter, to determine jurisdiction and make a preliminary determination as to whether any violations of the AMC Act or this Title have been alleged. Upon conclusion of the evaluation, the investigator will make a presentation to the Board as to whether sufficient evidence exists to proceed with an investigation.

003.04C The Board reviews the evidence provided by the investigator and determines whether the matter should be investigated.

003.04C.1 If the Board determines that the matter should be investigated, the Board files a grievance and notifies the person under investigation of grievance, including any alleged

violations of the AMC Act or this Title in writing; or

003.04C.2 If the Board determines that the matter should not be investigated, notice of such determination is provided to the person against whom the Board was considering filing a grievance.

003.05 If the Board determines to proceed with an investigation, the following steps are generally followed:

003.05A In conducting an investigation, and prior to filing a formal complaint on the grievance, the person who is under investigation may be requested to:

003.05A.1 Submit documentation, including but not limited to, report(s) and workfile(s), appraisal review report(s), AMC appraiser panel information, Uniform Standards of Professional Appraisal Practice compliance, AMC appraiser fees, and record of AMC appraiser valuation services within an appropriate period of time as determined by the investigator; and/or

003.05A.2 Provide any other information concerning the investigation, in writing, electronically, or verbally as determined by the investigator.

003.05B In conducting an investigation, the aggrieved person may be requested to:

003.05B.1 Submit documentation as requested;

003.05B.2 Respond to any request for information in writing, electronically, or verbally as determined by the investigator; and/or;

003.05B.3 Discuss the allegations with the investigator.

003.05C In conducting an investigation, the investigator may interview or request information in writing, electronically, or verbally as determined by the investigator, from any other person.

003.05D Upon the conclusion of an investigation, the Board s investigator may prepare an investigative report. The report

includes documentation that supports the findings as needed to dismiss the allegation(s) or file a formal complaint.

003.05E If the investigation reveals that there is not good cause to believe that the person under investigation has violated the AMC Act or this Title, or the violation(s) is/are minor in nature as determined by the Board, the matter will be dismissed and no formal complaint will be initiated by the Board. Upon dismissal, the Board may issue an advisory opinion, or recommend a specific action that the Board deems beneficial to the person under investigation.

003.05F If the investigation discloses evidence that the actions of the person under investigation constitute a violation of the AMC Act or this Title, a formal complaint may be prepared by the Board.

003.06 The Board may enter into a consent agreement or negotiated settlement at any time before or after filing a formal complaint. Voluntary surrender or nonrenewal of a registration to avoid or expedite enforcement or disciplinary action does not preclude any enforcement action or sanction for any alleged violation and will prohibit the person under investigation from applying for subsequent reinstatement or registration.

003.07 Disciplinary action taken by the Board may include but is not limited to:

(1) Conditional or unconditional revocation,

(2) Conditional or unconditional suspension,

(3) Fine,

(4) Censure,

(5) Admonishment,

(6) Civil penalty not to exceed five thousand dollars for a first offense and not to exceed ten thousand dollars for a second or subsequent offense,

(7) Advisement,

(8) Cease and desist order, and/or

(9) Costs associated with investigation.

003.08 Pursuant to NEB. REV. STAT. § 76-3222, at any time during or upon completion of an investigation, whenever in the judgement of the Board, any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of the AMC Act or this Title, the Board may request that Attorney General maintain an action in the name of the State of Nebraska to abate and temporarily and permanently enjoin such acts and practices and to enforce compliance with the AMC Act or this Title.

003.09 Criminal History Record Check

003.09A If the fingerprint-based national criminal history record check pursuant to NEB. REV. STAT.§ 76-3207 is the basis for a grievance filed against a person, the subject individual is entitled to a copy of his or her national criminal history record, and an opportunity to dispute the result.

003.09A.1 In order to receive a copy of such record, the individual shall:

003.09A.1a In person, complete a form approved by the Board that relieves the Board from any liability related to the release of the national criminal history record; and

003.09A.1b Present a passport, driver s license, or other government-issued identification card with a photograph to be copied by the Board.

003.09A.2 If the individual provides evidence acceptable to the Board that the fingerprint-based national criminal history record check result that was the basis for investigation is incorrect, the matter will be dismissed and no formal complaint will be initiated by the Board.

**APPRAISAL SUBCOMMITTEE-FFIEC**
**QUARTERLY MEETING MINUTES**
**MARCH 13, 2024**

LOCATION: Webex

**ATTENDEES**

**MEMBERS**: CFPB – Zixta Martinez (Chair)
FDIC – Luke Brown (Vice Chair)
FRB – Sarah Chae
NCUA – JeanMarie Mattingly
OCC – Enice Thomas

**ALTERNATES:** FHFA – Julie Giesbrecht
FRB – Keshia King
HUD – Brian Barnes
NCUA – Viki Nahrwold
OCC – Jim Rives

**STAFF:** Executive Director – Jim Park
Deputy Executive Director – Denise Graves
Grants Director – Rae Frederique
Financial Manager – Girard Hull
Attorney Advisor – Ada Bohorfoush
Attorney Advisor – Natalie Lutz
Management and Program Analyst – Lori Schuster
Administrative Officer – Brian Kelly
Administrative Assistant – Oteal Griffin
Regulatory Affairs Specialist – Kelly Luteijn
Policy Manager – John Brenan
Policy Manager – Maria Brown
Policy Manager – Tom Lewis
Policy Manager – Jonny Stewart

**OBSERVERS:** See attached list.

The Meeting was called to order at 10:01 a.m. by Chair Z. Martinez.

**REPORTS**

- **Chair**

Z. Martinez welcomed attendees to the meeting. She introduced the new FRB member Sarah Chae. She also thanked OCC for hosting the ASC Hearing on February 13th and she felt that the hearing was successful.

- **Executive Director**

J. Park updated the ASC on recent staff activity as noted below.

- As stated by the Chair, the ASC held its 4th hearing on February 13th. The witnesses included:
    - David Bunton – President - The Appraisal Foundation
    - Ed Neelly IV – Executive Director – Mississippi Appraisal Board
    - Maureen Sweeney – Principal - Maureen Sweeney Real Estate Appraiser LTD
    - Melissa Tran – Director – Texas Appraiser Licensing and Certification Board
    - Jillian White – Chief Executive Officer – Appraisal Insights

  He thought the witness testimony and dialogue was enlightening. This and the previous hearing videos and testimony are available on the ASC website. There have been approximately 10K views of the hearings. He thanked ASC members and the hearing witnesses over the past year for highlighting issues in the appraisal industry.

- He provided an update on staff hiring.
    - A new Grants Management Specialist will start on March 25th to support the Grants Program.
    - John Brenan, who was hired as a Policy Manager in January, will be reassigned to the Compliance Manager position as of March 25th.
    - Denise Graves, Deputy Executive Director, will retire on April 30th. She has been with the ASC for 20 years. He and ASC members thanked D. Graves for her contributions.

- **Compliance Reviews**

D. Graves provided an update on the Compliance Review Program. There were 14 State Appraiser Program Compliance Reviews and 14 State Appraisal Management Company (AMC) Program Compliance Reviews completed. The final Reports were issued by the Executive Director under the delegation of authority. Colorado's Appraiser and AMC programs both received an Excellent Finding. Colorado will stay on a two-year Review

Cycle. The remaining 13 State Appraiser and AMC programs all received a finding of Good and will remain on a two-year Review Cycle. These States are California, Connecticut, District of Columbia, Delaware, Illinois, Massachusetts, North Carolina, North Dakota, Oregon, Pennsylvania, South Carolina, Tennessee, and Washington. The top concerns for the Appraiser Programs are related to Temporary Practice, National Registry updates, and the State's Application Process. The top concerns for the AMC programs are under Statutes and Regulations and the National Registry. Currently, there are 18 Appraiser and 16 AMC State Programs that are in various stages of a Compliance Review.

- **Grants Program**

  R. Frederique provided the grants update to the ASC.

  - As noted by J. Park, a new Grants Management Specialist will start on March 25th; and she thanked the ASC for their approval of the position.

  - The Revised Grants Handbook that was approved by the ASC at its special meeting on January 17th, has been posted on the ASC website and was noticed in the *Federal Register.*

  - The Fiscal Year (FY) 2024 Notice of Funding Availability for State Appraiser Regulatory Agencies Support Grant (NOFA) was also approved by the ASC at its January 17th special meeting. The NOFA has been posted on the ASC website. A webinar was held on February 5th and was attended by 22 individuals from State programs. The webinar was also posted to the ASC website. States can submit applications by 5:00 p.m. ET on either June 3, 2024 or September 4, 2024.

- **Financial Manager**

  G. Hull reported that, for the first quarter of FY24 which ended on December 31, 2023, the ASC has recognized total revenue of $2.7M, representing 24% of the total FY24 budgeted revenue of $11.2M. The total recognized revenue for the 1st quarter of FY24 comprises $1.2M of Appraiser Registry fees and $2.5M of AMC fees.

  He also reported that, for the first quarter of FY24, ASC expenditures totaled $1.5M, representing 17% of the total FY24 budgeted amount of $8.9M. Most of these costs consisted of normal operating expenses such as personnel, contracted services, IT services, travel, and grants. Overall expenditure activity for FY24 has been within budget with no unusual budget variances. Net income for the 1st quarter is $1.19M.

- **Notation Vote**

  L. Schuster reported on notation votes that have occurred since the September 13, 2023 quarterly meeting.

  - The September 13, 2023 ASC quarterly meeting minutes were approved with a 6-0 vote on November 28, 2023. A vote was not received from the FDIC.

  - The 2024-2028 ASC Strategic Plan was approved by a 6-0 vote on November 28, 2023. A vote was not received from the FDIC.

  - The nomination of Luke Brown, FDIC Representative to the ASC, to serve as Vice Chair for a two-year term beginning on April 1, 2024 through March 31, 2026 was approved by a 7-0 vote on March 8, 2024.

**ACTION ITEMS**

- **January 17, 2024 Special Open Meeting Minutes**

  Z. Martinez asked for a motion to approve the January 17th special open meeting minutes. J. Mattingly made a motion to approve the January 17th special open meeting minutes as presented. J. Giesbrecht seconded and all members present voted to approve.

Z. Martinez thanked ASC members, ASC staff and observers for attending today's meeting. The meeting was adjourned at 10:20 a.m. The next quarterly ASC meeting is scheduled for June 12, 2024.

Attachment: Observer list

| | | | |
|---|---|---|---|
| **Meeting:** | **Appraisal Subcommittee Quarterly Meeting** | **Meeting Date:** | March 13, 2024 |
| **Contact:** | Lori Schuster | **Location:** | Webex |
| **Time:** | 10:00 AM ET | **Alternate Contact:** | Brian Kelly |

| Affiliation | Name |
|---|---|
| Accurate Group | Michele Golden |
| American Society of Farm Managers and Rural Appraisers | Deanna Ilk |
| Appraisal Institute | Brian Rodgers |
| Appraisal Standards Board | Jerry Yurek |
| Consumer Financial Protection Bureau | David Bleicken |
| Consumer Financial Protection Bureau | Deana Krumhansl |
| Consumer Financial Protection Bureau | Orlando Orellano |
| Dennis Badger & Associates | Dennis Badger |
| Federal Deposit Insurance Corporation | Erin Barry |
| Federal Deposit Insurance Corporation | Dawnelle Guyette |
| Federal Deposit Insurance Corporation | Stuart Hoff |
| Federal Deposit Insurance Corporation | Patrick Mancoske |
| Federal Deposit Insurance Corporation | Mark Mellon |
| Federal Deposit Insurance Corporation | Oliver Pelton |
| Federal Deposit Insurance Corporation | Meron Wondwosen |
| Federal Housing Finance Agency | Hanna Pitz |
| Federal Housing Finance Agency | Renita Roberts |
| Federal Reserve Board | Trevor Feigleson |

| Affiliation | Name |
|---|---|
| Federal Reserve Board | David Imhoff |
| Federal Reserve Board | Devyn Jeffereis |
| Federal Reserve Board | Matt McQueeney |
| Federal Reserve Board | Matt Suntag |
| Florida Department of Transportation | Eddie Tharp |
| Maine Board of Real Estate Appraisers | Catherine Pendergast |
| Melissa Bond Quality Education | Melissa Bond |
| National Credit Union Administration | Gira Bose |
| Office of the Comptroller of the Currency | Stacey Fluellen |
| Office of the Comptroller of the Currency | Kevin Lawton |
| Office of the Comptroller of the Currency | Joanne Phillips |
| Office of the Comptroller of the Currency | Marta Stewart-Bates |
| Real Estate Valuation Advocacy Association | Mark Schiffman |
| Rich Feuer Anderson | Tiana Lyew |
| Steinley Real Estate Appraisals and Consulting | Craig Steinley |
| Stewart Valuations | Teri Zarate |
| TD Bank | J. Michael Hilton |
| The CE Shop | Melissa Cannata |
| United Wholesale Mortgage | Joe DeFever |
| United Wholesale Mortgage | S. Frick |
| United Wholesale Mortgage | Robert Lundquist |
| | Lewis Allen |

2023 ANNUAL REPORT

# APPRAISAL SUBCOMMITTEE

APPRAISAL SUBCOMMITTEE
FFIEC

FEDERAL FINANCIAL INSTITUTIONS
EXAMINATION COUNCIL

Q.7

# Table of Contents


Introduction . . . . . 2
Message from the Chair . . . . . 4
ASC Member Representatives . . . . . 6
Administration of the Appraisal Subcommittee . . . . . 7
ASC Meeting Procedures . . . . . 7
State Appraiser and AMC Program Oversight . . . . . 8
Appraisal Foundation Monitoring and Review . . . . . 10
ASC Grants . . . . . 11
Strategic Plan . . . . . 12
Appraiser Registry . . . . . 14
AMC Registry . . . . . 15
Appraisal Complaint National Hotline . . . . . 16
Activities of the ASC Member Agencies . . . . . 17
Interagency Activity . . . . . 18
Member Agency Activity . . . . . 19
Financial Status of the ASC . . . . . 25

Appendix A Financial Statements . . . . . 28
Appendix B Compliance Review Findings . . . . . 52
Appendix C National Registry Statistics . . . . . 55
Appendix D Tools for Monitoring State Compliance with Title XI . . . . . 63
Appendix E Disciplinary Actions Reported by States . . . . . 64
Appendix F Appraisal Complaint National Hotline . . . . . 68
Appendix G Agency Complaint Data . . . . . 73
Appendix H Reference Materials . . . . . 74

# Letter of Transmittal

June 14, 2024

The President of the Senate

The Speaker of the House of Representatives

Pursuant to Section 1103 of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (12 U.S.C. § 3332), I am pleased to submit the 2023 Annual Report of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.



Sincerely,

Zixta Martinez

Chair

*Introduction*

# The Appraisal Subcommittee

The Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council (FFIEC)[1] was created on August 9, 1989, pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (Title XI of FIRREA or Title XI). Title XI's purpose is to "provide that Federal financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, and by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision."[2] In general, the ASC oversees the real estate appraisal regulatory framework as it relates to federally related transactions as defined in Title XI.[3]

Title XI requires the ASC to:

- monitor the requirements established by States[4]:
  - for the certification and licensing of individuals who are qualified to perform appraisals in connection with federally related transactions, including a code of professional responsibility; and
  - for the registration and supervision of the operations and activities of appraisal management companies (AMCs)
- monitor the requirements established by the Federal financial institutions regulatory agencies with respect to:
  - appraisal standards for federally related transactions under their jurisdiction; and
  - determinations as to which federally related transactions under their jurisdiction require the services of a State certified appraiser and which require the services of a State licensed appraiser
- maintain a National Registry of State certified and licensed appraisers (Appraiser Registry) who are eligible to perform appraisals in federally related transactions
- maintain a National Registry of AMCs (AMC Registry) that either are registered with and subject to supervision of a State[5] appraiser certifying and licensing agency or are operating subsidiaries of a Federally regulated financial institution[6]
- establish and operate an appraisal complaint national hotline, including a toll-free telephone number and email address, for the referral of complaints concerning alleged violations of appraisal independence standards and/or Uniform Standards of Professional Appraisal Practice (USPAP)
- monitor and review the practices, procedures, activities and organizational structure of the Appraisal Foundation (Foundation)
- transmit an annual report to Congress not later than June 15 of each year that describes the way each function assigned to the ASC has been carried out during the preceding year

---

[1] The FFIEC was established pursuant to Title X of the Financial Institutions Regulatory and Interest Rate Control Act of 1978. It is an interagency body empowered to set uniform principles for the examination of federally regulated financial institutions.

[2] Title XI § 1101, 12 U.S.C. § 3331.

[3] A federally related transaction includes any real estate-related financial transaction which: (a) a Federal financial institutions regulatory agency engages in, contracts for, or regulates; and (b) requires the services of an appraiser under the interagency appraisal rules. [(Title XI § 1121 (4), 12 U.S.C. § 3350), implemented by the Office of the Comptroller of the Currency: 12 CFR 34.42(g) and 34.43(a); Federal Reserve Board: 12 CFR 225.62and 225.63(a); Federal Deposit Insurance Corporation: 12 CFR 323.2(f) and 323.3(a); and National Credit Union Administration: 12 CFR 722.2(f) and 722.3(a)]. Based on 2014 Home Mortgage Disclosure Act (HMDA) data, at least 90 percent of residential mortgage loan originations are not subject to the Title XI appraisal regulations. (FFIEC report to Congress, *Economic Growth and Regulatory Paperwork Reduction Act*, 82 Federal Register 15900 (March 30, 2017)).

[4] Title XI also covers U.S. territories. See 12 U.S.C. § 3345. Currently, all U.S. States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam and the United States Virgin Islands have Programs. (American Samoa does not have a Program.)

[5] States are not required to have an AMC Program, 49 States and the District of Columbia have AMC Programs; Hawaii, American Samoa, Guam, Northern Mariana Islands, Puerto Rico and United States Virgin Islands do not have AMC Programs. Note: Hawaii has a program that sunset on June 30, 2023.

[6] 12 CFR 1102.400 - 1102.403. The ASC rule to implement collection and transmission of annual AMC registry fees was published by the ASC in the September 25, 2017, issue of the Federal Register (82 FR 44493). The Final Rule's effective date was November 24, 2017.



Q.10

Title XI also requires the ASC to:

- make grants in such amounts as it deems appropriate to the Foundation to help defray costs relating to the activities of the Appraisal Standards Board (ASB) and Appraiser Qualifications Board (AQB)
- make grants to State appraiser certifying and licensing agencies in accordance with policies developed by the ASC[7] to support the efforts of such agencies to comply with Title XI, including—
    - the complaint process, complaint investigations, and appraiser enforcement activities of such agencies
    - the submission of data on State licensed and certified appraisers and AMCs to the Appraiser Registry and the AMC Registry, including information affirming that appraisers or AMCs meet required qualification criteria, and information on formal and informal disciplinary actions
    - reporting to all State appraiser certifying and licensing agencies when a license or certification is surrendered, revoked or suspended

An unofficial ASC staff version of Title XI is in Appendix H.

The ASC has seven members, each designated respectively by the head of their agency, including the Board of Governors of the Federal Reserve System (Federal Reserve), Consumer Financial Protection Bureau (CFPB), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), Office of the Comptroller of the Currency (OCC), Federal Housing Finance Agency (FHFA), and U.S. Department of Housing and Urban Development (HUD). Title XI requires one member of the ASC to be a licensed, certified or professionally designated appraiser. In 2023 this role was filled by Julie Giesbrecht, the FHFA alternate member and Brian Barnes, the HUD alternate member. Title XI also requires the FFIEC to appoint a Chairperson from the member representatives to serve a two-year term, in 2023 this role was filled by Zixta Q. Martinez, the CFPB member.

[7] The ASC adopted a grants handbook on December 12, 2019, which includes all the ASC policies and procedures with regard to grants.

# Message from the Chair

The Appraisal Subcommittee (ASC) had another productive year in 2023. The ASC returned to performing on-site Compliance Reviews of State appraiser and AMC regulatory programs and continued to monitor and review the Appraisal Foundation (Foundation). In addition to those core responsibilities, the ASC held hearings on appraisal bias and remained focused on diversity, equity, inclusion and accessibility to the profession.

In 2023, the ASC reviewed 19 State Appraiser Programs. Continuing a trend starting in 2014, overall State Appraiser Programs improved their compliance with Title XI. Seven programs were rated as Excellent and 12 Good. No States were rated as Needs Improvement, Not Satisfactory or Poor, with 100% of the States rated as Excellent or Good. In 2023, the ASC reviewed 19 State AMC Programs, many for the first time. Two programs were rated as Excellent and 17 Good. No States were rated as Needs Improvement, Not Satisfactory or Poor, with 100% of the States being rated as Excellent or Good. More information regarding the 2023 Compliance Reviews can be found in Appendix B.

The ASC continued to engage with the Foundation to meet its monitor and review mandate. Activities included attending public Foundation meetings and engaging with the Foundation with respect to the Foundation's response to the comprehensive review of the *Uniform Standards of Professional Appraisal Practice* (USPAP) and the *Real Property Appraiser Qualification Criteria* (Criteria), as well as related and required courses to attain and maintain licensure as an appraiser.[8] In addition, the chairs of the Foundation's ASB and AQB served as witnesses in an ASC hearing in May 2023.

The ASC held three hearings in 2023. Section 1106 of FIRREA provides that hearings are an authorized activity. The 2023 hearings, which focused on appraisal bias and were open to the public, represented the first time the ASC used this authority. The first hearing, held on January 24th set the stage for future hearings; the second hearing, held on May 19th discussed the appraisal regulatory system; and the third hearing, held on November 1st, focused on appraisal development. The ASC intends to hold an additional hearing on February 13, 2024. Further information regarding the ASC hearings can be found on page 21 and on the ASC's website, asc.gov, under the resources tab.

The ASC adopted its 2024-2028 Strategic Plan in November. The agency's Mission Statement was updated and a new Vision Statement was published. The strategic plan includes Core Values, Goals and Objectives and is available on the ASC website at https://www.asc.gov/node/844487.

The Interagency Task Force on Property Appraisal and Valuation Equity (PAVE), which includes all ASC member agencies and the ASC itself, published a state-by-state dashboard that shows barriers to entry to the appraisal profession imposed by States and where those exceed AQB minimum qualifications. The Biden Administration created PAVE in 2021 to be "...a first-of-its-kind interagency initiative to address inequity in home appraisals [to] utilize, quickly, the many levers at the federal government's disposal, including potential enforcement under fair housing laws, regulatory action, and development of standards and guidance in close partnership with industry and state and local governments, to root out discrimination in the appraisal and homebuying process."[9] ASC staff were instrumental in performing the research for this project. The dashboard can be found at Reduce Barriers to the Appraisal Profession | PAVE | PAVE (hud.gov).

The ASC conducted three public quarterly meetings. During the September 13, 2023, public meeting, the ASC approved the Fiscal Year 2024 Budget, including:

$11.3 million in projected revenue

$8.9 million in expenses, including $2.275 million in new federal grants

The ASC continues to operate its grant program to support State Programs and the Foundation. In 2023, the ASC continued to provide grants to 15 States and more than $780,000 was drawn down on all State grants in 2023. The Foundation has not

[8] The report is available on the ASC website at https://bit.ly/2022NFHAAnalysis.

[9] WHITE HOUSE (2021), https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/01/fact-sheet-biden-harris-administration-announces-new-actions-to-build-black-wealth-and-narrow-the-racial-wealth-gap/ (last visited Nov 24, 2023).

applied for a grant since 2020. More information regarding ASC grants can be found on page 13.

The ASC continues to operate its Appraisal Complaint National Hotline (Hotline). The Hotline now includes resource information on where to file complaints of alleged appraisal bias, lender discrimination, or violation(s) of the federal Fair Housing Act. The Hotline incorporates a toll-free telephone number, e-mail address, and website for referring complainants to the appropriate State and/or Federal agency for complaints of alleged violations of USPAP and/or non-compliance with appraisal independence standards. Hotline statistics for 2023 are in Appendix F.

The ASC added vital staff in 2023. Regeane Frederique took over the vacant Grants Director position and Oteal Griffin was hired as an administrative assistant.

Claire Brooks, longtime ASC staff member and Policy Manager retired in 2023.

In closing, 2023 was an active and eventful year for the ASC. The ASC continues to prioritize a commitment to equity, fairness, and diversity in the appraisal profession.



Q.13

# Appraisal Subcommittee Representatives

**Consumer Financial Protection Bureau**
Chair: Zixta Martinez
since April 2022
Martinez is the Deputy Director.
Alternate Member: John Schroeder
since July 2019

**Federal Deposit Insurance Corporation**
Vice-Chair: Luke Brown
since May 2022
Brown is the Associate Director for Supervisory Policy, Division of Depositor and Consumer Protection.
Alternate Member: Tom Lyons since May 2022

**Board of Governors of the Federal Reserve System**
Member: Suzanne Williams
since May 2022
Williams is a Deputy Associate Director, Division of Supervision and Regulation.
Alternate: Keshia King since May 2022

**U.S. Department of Housing and Urban Development**
Member: Elizabeth Davis
since October 2023
Davis is the Housing Program Officer in the Office of the Deputy Assistant Secretary for Single Family Housing.
Alternate Member: Brian Barnes since February 2020

**Federal Housing Finance Agency**
Member: Maria Fernandez
since October 2014
Fernandez is a Senior Associate Director, Housing and Regulatory Policy.
Alternate Member: Julie Giesbrecht since January 2022

**National Credit Union Administration**
Member: JeanMarie Mattingly
since March 2022
Mattingly is the Deputy Director of Credit Union Resources and Expansion.
Alternate Member: Victoria Nahrwold since October 2022

**Office of the Comptroller of the Currency**
Member: Enice Thomas
since January 2021
Thomas is the Deputy Comptroller for Credit Risk Policy.
Alternate Member: Jim Rives since December 2019

# Administration of the Appraisal Subcommittee

## Staff Listing

**James R. Park,** Executive Director

**Denise E. Graves,** Deputy Executive Director

**Vacant,** General Counsel

**Regeane Frederique -** Grants Director

**Vacant,** Compliance Manager

**Vacant,** Attorney-Advisor

**Ada L. Bohorfoush,** Attorney-Advisor

**Natalie E. Lutz,** Attorney-Advisor

**Lori L. Schuster,** Management and Program Analyst

**L. Girard Hull,** Financial Manager

**Brian T. Kelly,** Administrative Officer/Project Manager – IT

**Maria M. Brown,** Policy Manager

**Neal R. Fenochietti,** Policy Manager

**Kristi A. Klamet,** Policy Manager

**Tom W. Lewis,** Policy Manager

**Jenny Howard Tidwell,** Policy Manager

**Vacant,** Policy Manager

**Vacant,** Senior Grants Management Specialist

**Vacant,** Grants Management Specialist

**Vacant,** Regulatory Affairs Specialist

**Oteal T. Griffin,** Administrative Assistant

## ASC Meetings

The ASC held regular virtual meetings in March, June, and September of 2023.

The ASC held special virtual meetings in April and May of 2023.

The ASC held special closed virtual meetings in April, May, July, August, September, October, November and December of 2023.



Q.15

# State Appraiser and AMC Program Oversight

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, which follows this Annual Report.

The ASC monitors State Appraiser and AMC Programs primarily 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. From 2020-2022 on-site visits to the States were suspended due to ongoing safety precautions related to the coronavirus. On-site visits resumed this year.

The ASC's Compliance Review process is a risk-based review process, focusing on areas of State Appraiser or AMC Programs that are not in compliance with Title XI or that exhibit characteristics that could lead to non-compliance. The ASC's rating criteria for Compliance Review Reports focus on three key components: (1) complying with Title XI mandates and requirements of ASC Policy Statements; (2) maintaining a strong regulatory program; and (3) limiting overall risk of Program failure.

Compliance Reviews are scheduled over a three to four-day period to coincide with a meeting of the State Program's decision-making body whenever possible. Preliminary Findings are communicated to the State in an ASC staff report and the State is given 60 days to respond. ASC staff then considers the State's response and makes formal recommendations for final disposition. The ASC, or its designated representative acting under delegated authority, considers the ASC staff report and recommendations along with responses from the State Program before rendering a decision. A final Compliance Review Report and letter to the State with a determination regarding the State's compliance with Title XI is then issued. *(See Appendix B, 2023 Compliance Review Findings.)* Actions taken under delegated authority are presented to the ASC at its next regularly scheduled meeting.

State Programs are issued one of the following Findings:

- Excellent
- Good
- Needs Improvement
- Not Satisfactory
- Poor

### Appraiser Programs

In 2023, for Appraiser Programs, ASC Policy Managers completed 19 Reviews, 2 Priority Contacts, and no Follow-up Reviews . *(See Appendix B, 2023 Compliance Review Findings.)* Of the 19 Appraiser Program Compliance Reviews completed in 2023, 7 States (37%) received a Finding of Excellent; 12 States (63%) received a Finding of Good; and no State received a Finding of Needs Improvement, Not Satisfactory, or Poor. The general areas of non-compliance with Title XI and the number of States experiencing those problems are presented in the *2023 Compliance Review Findings (Appendix B)*.

The ASC identifies Appraiser Programs that may have a significant impact on the nation's appraiser regulatory system. The following 12 States, listed alphabetically, collectively represent over 50% of the credentialed appraisers on the Appraiser Registry: California, Colorado, Florida, Georgia, Illinois, New York, North Carolina, Ohio, Pennsylvania, Texas, Virginia and Washington. The ASC conducts Priority Contact (PC) visits with these States in years where Compliance Reviews are not scheduled. The ASC also performs a PC on individual States when a specific concern warrants special attention by the ASC.[10] 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.

[10] Priority Contact visits may be performed onsite or virtually.

### AMC Programs

In 2023, the ASC completed the first full year of reviewing AMC Programs. The ASC completed 19 Compliance Reviews of AMC Programs, representing an increase in the number of AMC Program Compliance Reviews of more than 35% over any previous year, of the 19 AMC Program Compliance Reviews completed in 2023, 2 States received a Finding of Excellent; 17 States received a Finding of Good; and no State received a Finding of Needs Improvement, Not Satisfactory, or Poor. The general areas of non-compliance with Title XI and the number of States experiencing those problems are presented in the *2023 Compliance Review Findings (Appendix B)*.

# Appraisal Foundation Monitoring and Review

## ASC Oversight of the Appraisal Foundation

### Monitoring and Reviewing the Foundation

Title XI requires the ASC to "monitor and review the practices, procedures, activities and organizational structure" of the Foundation.[11] Historically, the ASC has carried out this responsibility in several ways, including:

- attendance at all relevant public ASB, AQB and Board of Trustees (BOT) meetings
- providing informal and formal comments and input on proposed changes to USPAP and the AQB Criteria
- providing informal and formal comments and input on activities of the BOT that impact the Foundation's Title XI-related activities

In addition to attending Foundation meetings, the ASC provided written comments to the ASB regarding the Fourth Exposure Draft of proposed changes to *USPAP*, urging the ASB to work with stakeholders and to include legal expertise to ensure proper consideration is given to how changes in USPAP will be received and impact appraisal practice. The ASC also provided written comments to the AQB regarding the Second Exposure Draft of changes to the Criteria.

The ASC Board maintained an ongoing dialogue with the BOT in 2023.

[11] Title XI § 1103(b), 12 U.S.C. § 3332 (b).



Q.18

# ASC Grants

The vacant Grants Director position was filled in February. During the first three months of onboarding, the Grants Director focused efforts on assessing the needs of ASC grant operations and building relationships with internal and external stakeholders to devise a strategic plan that would re-establish the ASC's commitment to grantmaking. This outreach included a presentation to the Association of Appraiser Regulatory Officials Spring Conference. The Grants Director has also been selected to serve as the Senior Financial Assistance Officer (SFAO) supporting the Small Agency Council (SAC) for the Biden-Harris Administration established Council on Federal Financial Assistance (COFFA).

The ASC determined that critical grantmaking policy documents like the ASC Grants Handbook and the Notice of Funding Availability (NOFA) for the State Regulatory Agencies, commonly referred to as the State Grants, needed to be revised, updated, and approved to begin accepting new grant applications. That work was done collaboratively across the interested ASC stakeholders, and final drafts of both documents were provided to the Board for final approval and are expected to be approved in January 2024.

The ASC also determined that additional staff would be needed to support the grant program workload. The Board approved the addition of 2 new positions, and those positions should be filled in 2024.

The ASC grantmaking-related activities in 2023 included:

### Training and Technical Assistance Cooperative Agreement

The ASC published a competitive NOFA in 2020 soliciting applications for a new grantee to work closely with ASC to deliver training and technical assistance to State Appraiser and AMC regulatory agencies, and commission research on the appraisal industry to support the goals of Title XI and advance the profession in general. The Council on Licensure, Enforcement and Regulation (CLEAR) was the recipient of this award. CLEAR has been awarded $1,894,305 over a 3-year period to carry out planned training and technical assistance to State regulatory agencies and special research projects that support the appraisal profession.

CLEAR worked on the development of an in-person Appraiser /Appraisal Management Company (AMC) Investigator II Scenarios training. That course should be completed in 2024. CLEAR also achieved key milestones in data development of the survey of the appraiser profession initiative. Activities include the development of research questions and finalizing both the sampling and analysis plan for the appraiser profession survey.

### State Grants

Title XI authorizes the ASC to make grants directly to the 55 eligible States and U.S. Territories in accordance with policies developed by the ASC in support of States' Title XI activities. Funds can be used to improve State appraiser and AMC regulatory processes and advance the appraisal industry with high-quality, impact-oriented programming.

Grants are awarded on a 3-year cycle with the funding provided annually. Since 2020, the ASC has awarded close to $3,000,000 in funds to support activities that included hiring additional investigator staff, training for staff and board members, technology upgrades, and the creation of a new training experience program to support and accelerate credentialing of new appraisers in States experiencing a shortage of appraisers. Grants have been awarded to 15 States, or 25% of the entities eligible.

The 15 States receiving ASC grants are: Arizona, Arkansas, Connecticut, Hawaii, Illinois, Kentucky, Louisiana, Minnesota, Mississippi, Montana, North Carolina, South Dakota, Texas, Utah, and Vermont.



Q.19

# Strategic Plan

In November, the ASC adopted its 2024-2028 Strategic Plan. As the federal agency charged with oversight of the appraisal regulatory system, our vision is to ensure that the public can trust in the accuracy and integrity of real estate appraisals and that the appraisal profession is valued for its critical role in supporting the financial services industry and consumers. As we plan for our agency's future, we remain committed to delivering on our mission, upholding our values of integrity, excellence, collaboration, service, fairness, and equity. In the face of several external factors, like rapid technological advancements and changing economic conditions, this strategic plan will enable us to be proactive and innovative.

The mission of the ASC is, generally, to ensure that appraisals used in federally related transactions are compliant with uniform standards and are performed by competent individuals. The Subcommittee was established by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) whose purpose is to provide that Federal financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision.

In recent years, the ASC has raised concerns about the lack of diversity in the appraisal profession, reports of biased behavior by appraisers, and a regulatory system with major limitations. Since 2019, the ASC has held two roundtables to obtain input from experts in the appraisal, mortgage lending, regulatory, fair housing, and civil rights fields. In 2023, the ASC began holding a series of hearings to better understand appraisal bias and the appraisal regulatory system. A 2022 report commissioned by the ASC, completed by a consortium of fair housing and appraisal legal experts, explored the appraisal standards and appraiser qualifications to consider whether they potentially either encouraged or systematized bias; and ultimately to inform efforts to support and promote fairness, equity, objectivity, and diversity in both appraisals and the training and credentialing of appraisers. The study, available on our website, resulted in several troubling conclusions and thoughtful recommendations. The issue of bias in the appraisal process is especially concerning, and the ASC is uniquely positioned within the appraisal regulatory framework to assess long-standing challenges pertaining both to the profession and to its regulation.

### Mission

The mission of the ASC is to ensure that the appraisal regulatory system promotes real estate appraisals that are conducted with accuracy, independence, and impartiality, in compliance with federal and State regulations. We work to promote excellence in appraisal regulation, support State appraiser regulatory programs, and protect consumers by enforcing the federal requirements State appraisal regulatory programs must follow as well as monitoring and reviewing the work of the Appraisal Foundation. Our goal is to maintain public trust in the appraisal profession by ensuring that appraisers are effectively regulated.

### Vision

At the ASC, we envision a future where every State appraiser program is compliant with Title XI, every appraiser is highly skilled and ethical, and appraisals promote confidence in the nation's economy and financial services industry. We strive to be a leader in promoting excellence in real estate appraisal regulation and fostering collaboration between industry stakeholders. Our vision is to ensure that the public can trust in the accuracy and integrity of real estate appraisals and that the appraisal profession is valued for its competence, independence, objectivity, and diversity.

**Values**

The ASC is guided by the following core values:

- **Integrity**: We hold ourselves to the highest ethical standards and act with honesty, transparency, and accountability in all our interactions.
- **Excellence**: We strive for excellence in all aspects of our work, continually improving our processes and programs to achieve the best possible outcomes.
- **Collaboration**: We believe that collaboration is essential to achieving our mission, and we work to foster strong relationships with our stakeholders to promote mutual understanding, respect, and partnership.
- **Fairness**: We are committed to treating all individuals and organizations with fairness and respect, regardless of their background, identity, or beliefs.
- **Service**: We are dedicated to serving the public by promoting an effective appraisal regulatory system and a healthy and diverse appraisal industry.

These values guide our decisions and actions, and we are committed to upholding them in all our work.

The strategic plan outlines three broad goals.

1. Innovate and modernize our processes, technology, and operations
2. Support States' ability to maintain compliance with the appraiser and AMC programs
3. Increase the agency's ability to attract and retain a diverse talent pool

Each goal is further defined with multiple objectives.

The entire strategic plan is available on the ASC website at https://www.asc.gov/node/844487



Q.21

# Appraiser Registry

Title XI requires the ASC to maintain an appraiser registry of State certified and licensed appraisers who are eligible to perform appraisals in federally related transactions (Appraiser Registry).[12] As of December 31, 2023, the Appraiser Registry contained 94,522[13] appraiser credentials, up slightly from the 94,299 entries at the end of 2022 *(See Appendix C, National Registry Statistics)*

The Appraiser Registry is accessible at the ASC's website (www.asc.gov) and is used by appraisers, Federal and State agencies, financial institutions, users of appraisal services, law enforcement, and consumers. Use of the Appraiser Registry is free. The Appraiser Registry allows users to determine whether an appraiser is State certified or licensed to perform appraisals in connection with federally related transactions. Users can also access an appraiser's credential status and determine whether the appraiser's credential is currently suspended, revoked, or surrendered in lieu of State disciplinary action.

The Appraiser Registry facilitates information sharing that assists State Programs in enforcing their appraiser-related statutes and regulations, including temporary practice and reciprocity. Financial institutions and other users also can access the Appraiser Registry to:

- Receive automatic notifications about new revocations, suspensions, surrenders, and certification and license expirations
- Download publicly available information or parts of the Appraiser Registry into predefined queries and user-customized queries
- Verify appraiser credentials
- Set up automatic queries of Appraiser Registry information using a web service which allows computer systems used by lenders, regulatory agencies and other authorized parties to integrate directly with the Appraiser Registry

States reported 9,045 disciplinary actions taken against appraisers over the past 10 years. *(See Appendix E, Disciplinary Actions Reported by States.)*

[12] Title XI § 1103(a)(3), 12 U.S.C. § 3332(a)(3).

[13] This number does not represent the number of individual appraisers as some appraisers have credentials from multiple States.



Q.22

# AMC Registry

Title XI requires the ASC to maintain an AMC Registry of AMCs that either are registered with and subject to supervision of a State AMC Program or are Federally regulated.[14] The AMC Registry became available for States to populate on July 16, 2018. As of December 31, 2023, the AMC Registry included 49 States registering AMCs, the same number of States as in 2022. The AMC Registry is accessible at the ASC's website (www.asc.gov), and is used by appraisers, Federal and State agencies, financial institutions, users of appraisal services, law enforcement, and consumers. Use of the AMC Registry is free. The AMC Registry allows users to determine whether an AMC meets the federal definition of an AMC and is registered in a particular State. Users can also access an AMC's registration status and determine whether the AMC is currently suspended, revoked or surrendered in lieu of State disciplinary action.

The AMC Registry facilitates information sharing that assists State Programs in enforcing their AMC-related statutes and regulations. Financial institutions and other users also can access the AMC Registry to:

- Receive automatic notifications about new revocations, suspensions, surrenders, and registration expirations
- Download publicly available information or parts of the AMC Registry into predefined queries and user-customized queries
- Set up automatic queries of AMC Registry information using a web service that allows computer systems used by lenders, regulatory agencies, and other authorized parties to integrate directly with the AMC Registry

States reported 154 disciplinary actions taken against AMCs over the past 5 years (the AMC Registry opened in 2018). *(See Appendix E, Disciplinary Actions Reported by States.)*

[14] Title XI § 1103(a)(6), 12 U.S.C. § 3332(a)(6).

# Appraisal Complaint National Hotline

Title XI requires the ASC to maintain a national hotline to receive complaints of non-compliance with the appraisal independence standards and/or USPAP, including complaints from appraisers, individuals, or other entities concerning the improper influencing or attempted improper influencing of appraisers or the appraisal process.[15] The ASC began operation of the Appraisal Complaint National Hotline (Hotline) on March 15, 2013. The Hotline refers complainants to the appropriate State and/or Federal agencies to handle complaints of alleged non-compliance with USPAP and/or appraisal independence standards. The Hotline now includes resource information on where to file complaints of alleged appraisal bias, lender discrimination, or violation of the Fair Housing Act. The Hotline consists of three components: a website (ReferMyAppraisalComplaint.asc.gov), an online contact form, and a call center with a toll-free telephone number (877-739-0096).

The Hotline website received 3,144 contacts in calendar year 2023. Additionally, the toll-free telephone number received 702 calls and the email portal received 72 contacts. These contacts resulted in 111 referrals to State and Federal agencies. Appendix F, *Appraisal Complaint National Hotline,* contains more detailed information on the source of contacts, specific agency referrals and whether the contact concerned issues of potential non-compliance with appraisal independence standards or violations of USPAP. Since the Hotline was designed as a referral system, it does not collect data on the resolution of complaints referred to the State or Federal agencies. Appendix G, *Agency Complaint Data,* also contains data reported by the Federal financial institution regulatory agencies and the CFPB concerning complaints received by them during calendar year 2023. The numbers reported in this table differ from those reported in the ASC's table for several reasons. The Hotline is a referral tool available to a wide range of users; consequently, not all complainants who access the Hotline will proceed to filing a complaint with one of the agencies, or they may choose to file a complaint with their State appraiser regulatory agency. Additionally, the reported data includes all appraisal-related complaints received by the Federal agency without identifying whether the complainant used the Hotline to obtain the referral information. States do not report data on appraisal-related complaints to the ASC, although a State's processing and disposition of complaints are part of the Compliance Review process.

[15] Title XI § 1122(i), 12 U.S.C. § 3351(i).

# Activities of the ASC Member Agencies

Following Title XI's adoption in 1989, each of the Federal financial institutions regulatory agencies and HUD adopted appraisal-related rules and policies. The OCC, Federal Reserve, FDIC and NCUA also jointly issued *Interagency Appraisal and Evaluation Guidelines* (Guidelines) for federally regulated institutions' appraisal and evaluation program.[16] The Guidelines address an institution's collateral valuation function, including appraisal independence, minimum appraisal standards for federally related transactions, the development and content of evaluations, appraisals for residential tract development lending and background on USPAP. The appraisal regulations require institutions regulated by the applicable agencies to ensure that appraisals supporting federally related transactions, among other things, comply with USPAP and are performed by a State certified or State licensed appraiser.[17]

[16] *See 75 Federal Register* 77450 (December 10, 2010).

[17] FDIC: 12 CFR Part 323, subpart A; Board: 12 CFR 225.61(b); 12 CFR Part 208, subpart E; OCC: 12 CFR Part 34, subpart C; NCUA: 12 CFR Part 722.



Q.25

# Interagency Activity

### Quality Control Standards for Automated Valuation Models (AVM) Rulemaking

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Federal Reserve), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Consumer Financial Protection Bureau (CFPB), and the Federal Housing Finance Agency (FHFA) (collectively the Agencies) issued a proposed rule on June 21, 2023 implementing the quality control standards mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act for the use of AVMs by mortgage originators and secondary market issuers in determining the collateral worth of a mortgage secured by a consumer's principal dwelling. The comment period for this proposed rule ended on August 21, 2023 and the Agencies are actively reviewing public comments received.

### Interagency Guidance on Reconsiderations of Value (ROV) of Residential Real Estate

The Board, CFPB, FDIC, NCUA, and OCC issued proposed guidance on July 21, 2023, that would highlight risks associated with deficient residential real estate valuations and describe how financial institutions may incorporate ROV processes and controls into established risk management functions. The comment period for this proposed guidance ended on September 19, 2023, and these agencies are actively reviewing public comments received.

### Property Appraisal and Valuation Equity (PAVE) Federal Task Force

PAVE Task Force members developed and began executing activities of the *Action Plan to Advance Property Appraisal and Valuation Equity* - the blueprint for how all Americans can benefit fairly from the equity built through homeownership. The PAVE Action Plan:

- Outlines the historical role of racism in the valuation of residential property
- Examines the various forms of bias that can appear in residential property valuation practices
- Describes how government and industry stakeholders will advance equity through concrete actions and recommendations

PAVE Task Force actions to date are addressing the following PAVE Action Plan commitments:

1. Strengthening guardrails against unlawful discrimination in all stages of residential valuation
2. Enhancing fair housing and fair lending enforcement and driving accountability in the industry
3. Building a well-trained, accessible, and diverse appraiser workforce
4. Empowering consumers to take action
5. Giving researchers and enforcement agencies better data to study and monitor valuation bias

### Higher-Priced Mortgage Loans

On October 13, 2022, the CFPB, Federal Reserve, and the OCC announced that the threshold for exempting loans from special appraisal requirements for higher-priced mortgage loans during 2023 increased from $28,500 to $31,000. The threshold amount became effective January 1, 2023, and is based on the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as of June 1, 2022.

The Dodd–Frank Wall Street Reform and Consumer Protection Act added special appraisal requirements for higher-priced mortgage loans, including that creditors obtain a written appraisal based on a physical visit to the interior of the home before making a higher-priced mortgage loan. The rules implementing these requirements contain an exemption for loans of $25,000 or less, adjusted annually to reflect CPI-W increases.



Q.26

# Member Agency Activity

## Several ASC member agencies issued appraisal-related rules, guidance, and training in addition to the interagency rulemaking projects.

### Consumer Financial Protection Bureau

In January 2023, the CFPB hosted the first-ever ASC public hearing. The hearing, which featured a panel of expert witnesses, focused on the scope and impact of appraisal bias. This was the first of a series of ASC hearings on appraisal bias that the CFPB participated in.

In February 2023, the CFPB's Fair Lending Director, together with senior officials from the Department of Justice, HUD, Federal Reserve, FDIC, OCC, NCUA, and FHFA submitted a joint letter to The Appraisal Foundation (TAF) expressing concerns about a draft Ethics Rule issued by TAF. The letter urged TAF to revise the rule to include a detailed statement of the applicable federal prohibitions against discrimination.

In March 2023, the CFPB and the Department of Justice filed a joint Statement of Interest in an action pending in the United States District Court for the District of Maryland. The joint Statement of Interest explains when mortgage lenders can be liable under the Fair Housing Act and the Equal Credit Opportunity Act for relying on discriminatory appraisals.

The CFPB, together with the FRB, FDIC, FHFA, NCUA, and OCC, proposed a rule in June 2023 to make automated valuation models (AVMs) fairer and more accurate. The proposed rule would, if finalized, create basic safeguards to mitigate the risks associated with AVMs. Covered institutions that employ these models to help make decisions such as home value decisions would have to take steps to boost confidence in valuation estimates and protect against data manipulation. The proposed rule would also require companies to have policies and processes in place to avoid conflicts of interest, to conduct random sample testing and reviews, and to comply with nondiscrimination laws.

In June 2023, the CFPB, FDIC, FRB, NCUA, and OCC requested public comment on proposed guidance addressing reconsiderations of value (ROV) for residential real estate transactions. The proposed guidance advises on policies that financial institutions may implement to allow consumers to provide financial institutions with information that may not have been considered during an appraisal or if deficiencies are identified in the original appraisal. The proposed guidance shows how ROVs intersect with appraisal independence requirements and compliance with applicable laws and regulations. The proposed guidance describes how financial institutions may create or enhance their existing ROV processes while remaining consistent with safety and soundness standards, complying with applicable laws and regulations, preserving appraiser independence, and remaining responsive to consumers.

### Federal Reserve Board

In 2023, Federal Reserve staff collaborated with other agencies to issue a proposed rule that would implement quality control standards for automated valuation models used by mortgage originators and secondary market issuers in valuing real estate collateral securing mortgage loans.[18] In addition, Federal Reserve staff worked with other agencies to issue proposed guidance addressing reconsiderations of value for residential real estate transactions, including policies that financial institutions may implement to allow consumers to provide information that may not have been considered during an appraisal or if deficiencies are identified in the original appraisal.[19] The proposed rule and guidance had previously been listed as action items in the Property Appraisal and Valuation Equity Task Force's Action Plan.[20]

Federal Reserve staff continued to engage with stakeholders in the appraisal industry, including

[18] See "Agencies request comment on quality control standards for automated valuation models proposed rule." June 01, 2023. https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230601a.htm.

[19] See "Agencies propose interagency guidance on reconsiderations of value for residential real estate valuations." June 08, 2023. https://www.federalreserve.gov/newsevents/pressreleases/bcreg20230608a.htm.

[20] See "Action Plan to Advance Property Appraisal and Valuation Equity." March 2022. https://pave.hud.gov/actionplan#:~:text=In%20the%20coming%20months%20the,or%20ethnic%20bias%20in%20appraisals



Q.27

participation in three ASC public hearings on appraisal bias. The first hearing was held in January 2023 and focused on understanding the home appraisal system and the root causes of appraisal bias. The second hearing was held in May 2023 and covered appraisal standards, appraiser qualification criteria, barriers to entry into the profession, and appraisal practices. The third hearing, in November 2023, focused on how a residential appraisal is developed and reviewed, the process for reconsiderations of residential real estate valuations, and appraisals in tribal and rural areas. These hearings included a wide range of witness testimony, including appraisal professionals, homeowners, industry representatives, government-sponsored enterprises, and academic researchers. Federal Reserve staff also participated in other outreach efforts, including panel discussions, to explain the federal banking agencies' appraisal regulations and guidance to financial institutions, appraisal professionals, users of appraisal services, and state appraiser regulators. Federal Reserve staff continued to publish Community Banking Connections,[21] a web-based publication that provides community bankers with access to information on safe and sound banking practices, which has covered topics related to the appraisal regulations.

### Office of the Comptroller of the Currency

In 2023, OCC leadership and staff participated in outreach, policy development, and other activities with various constituents in the appraisal profession. Constituents included appraisers, industry associations, users of appraisal services, community development organizations, inter-governmental task forces, bankers, and other regulators. These activities included in-person, virtual, and hybrid meetings, panel discussions, webcasts, podcasts, and seminar presentations. The OCC also provided training, information, and guidance on real estate lending, appraisals, and evaluations for internal and external audiences. In addition, the OCC published guidance to assist bank examiners in navigating the Hawaii Appraisal Management Company registry termination.

Through the affordable homeownership workstream of the OCC's innovative initiative, Project REACh (Roundtable for Economic Access and Change), the OCC regularly convened leaders from banking, business, technology, community groups and national civil rights organizations to address homeownership barriers. In 2023, the following were notable achievements:

- The Reconsideration of Value (ROV) workstream finalized ROV best practices.
- The creation of an Appraiser Diversity Initiative (ADI).
- The creation of an Appraisal Gap workstream to address the valuation gap, by leveraging existing efforts, studies, technology, rules and guidance.

The OCC hosted the Appraisal Subcommittee's (ASC) hearing on appraisal bias on February 13, 2024 at its headquarters, 400 7th Street SW, Washington, D.C.

### Federal Deposit Insurance Corporation

FDIC staff participated in outreach programs to explain its appraisal regulations and guidance to various members of the appraisal profession as well as users of appraisal services and appraiser regulators throughout 2023. Through this outreach, the FDIC provided information on real estate lending, appraisals, and evaluations. The FDIC continued to collaboratively work with the other federal agencies on interagency rulemakings for appraisal-related provisions of the Dodd-Frank Act, as well as on action items in the Interagency Task Force on Property Appraisal and Valuation Equity related to valuation bias and reconsiderations of value.

The FDIC joined other member agencies of the ASC to host a series of hearings addressing appraisal bias. The public hearings were held to better understand the challenges and potential solutions related to appraisal bias.

Additionally, the FDIC expanded its consumer protection examination approach to include consideration of appraisal-related matters in its existing fair lending review process. This includes enhancing the risk scoping process to evaluate a bank's compliance management system for appraisals. The FDIC also developed enhanced examiner training to heighten awareness of potential bias in the appraisal process.

Furthermore, as part of the FDIC's commitment to address appraisal bias, the FDIC published the

[21] For more information on Community Banking Connections please visit https://www.communitybankingconnections.org/.

FDIC Consumer News article, "Understanding Appraisals and Why They Matter," and created the FDIC "Tips on Appraisal Bias and Valuation to Address Consumers' Frequently Asked Questions" webpage to serve as a resource for consumers. The webpage provides educational and other information on appraisal bias and on the PAVE Action Plan. The webpage also includes information on ROVs and links to the ASC's Appraisal Complaint National Hotline, the FDIC Information and Support Center, and HUD, in the event consumers have concerns about their property valuation.

### National Credit Union Administration

In 2023, NCUA remained an active member of the PAVE Task Force, the interagency initiative addressing inequities in home appraisals through the development of regulation, guidance, and education and training for consumers, examiners, and industry professionals. Since the PAVE Action Plan was released by the White House in March 2022, critical progress has been made towards:

- empowering consumers with new tools to address appraisal bias;
- leveraging data to identify appraisal bias trends; and
- supporting a well-trained and more representative appraiser profession.

NCUA continues its efforts and participation in outreach, policy development, consumer information, and guidance on this topic. NCUA has posted PAVE consumer education and resources on NCUA.gov, including FAQs, and hosted public events and webinars on appraisal bias including "Appraisal Bias and Increasing Fair Access to Communities of Color" and "Expanding Homeownership Opportunities by Combating Appraisal Bias." NCUA additionally participated as an agency representative at the ASC Hearings dedicated to the topic of appraisal bias. The hearings brought together the federal agencies and industry experts to define the problem and discuss potential solutions.

The PAVE Action Plan includes the in-process rulemaking on Quality Controls for Automated Valuation Models or AVMs, which is mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act. The NCUA joined the FDIC, OCC, FRB, CFPB, and FHFA to collectively issue the proposed rule for comment in June 2023. The proposed rule would generally require mortgage originators and secondary market issuers that use AVMs to determine the collateral worth of a mortgage secured by a consumer's principal dwelling to adopt policies, practices, procedures, and control systems to ensure that AVMs used in these transactions adhere to quality control standards designed to ensure a high level of confidence in the estimates produced by AVMs, protect against the manipulation of data, seek to avoid conflicts of interest, require random sample testing and reviews, and comply with applicable nondiscrimination laws. The comment period closed August 21, 2023. The comments received are currently under review.

In addition, NCUA collaborated with the FDIC, OCC, CFPB, and the FRB and combined resources to issue guidance on Reconsideration of Value, or ROV, of residential real estate valuations. This proposed interagency guidance was published July 21, 2023; the comment period closed September 19, 2023. The comments received are under review. The forthcoming interagency guidance is another joint effort to address appraisal bias.

In the joint effort to address appraisal bias, NCUA continues to follow its primary mission: "Protecting the system of cooperative credit and its member-owners through effective chartering, supervision, regulation, and insurance." NCUA continues its commitment to combatting valuation bias through regulatory and supervisory authority. Internally, NCUA workgroups continue to focus on areas of improvement in regulations, guidance to credit unions and consumers, training for examiners, and outreach to the public. Fair lending, including appraisal bias, was one of NCUA's 2023 consumer financial protection supervisory priorities. We reviewed our existing guidelines and procedures to identify proposed changes for implementation in 2023. We updated information on our websites, NCUA.gov and MyCreditUnion.gov, to address appraisal-related issues so that consumers can learn more about appraisals, recourse options and available resources. Also, our Diversity, Equity, and Inclusion Summit included sessions on access to affordable homeownership and appraisal bias to further our outreach efforts.

### Department of Housing and Urban Development

In fiscal year 2023, the Federal Housing Administration (FHA) continued our important role in serving populations not adequately served


Q.29

by the private mortgage market. More than 82 percent of FHA purchase mortgage insurance endorsements in fiscal year 2023 went to first-time homebuyers. And as in past years, the share of FHA's total endorsements that went to borrowers of color significantly exceeded that of other market participants. According to the most recent data available, the percentage of FHA's volume comprised of mortgages made to Black borrowers was triple the rate of the rest of the market, and for Hispanic borrowers it was double. Finally, according to calendar year 2022 data, close to half of all rural homebuyers who obtained low down-payment mortgages obtained mortgages insured by FHA.

Supporting homeownership for communities of color is a core element of FHA's mission and a significant part of FHA's business. In fiscal year 2023, 30.63% of FHA-insured forward mortgages (224,304 mortgages) were for borrowers of color. Notably, 15.45% were for Hispanic borrowers, and 12.69% for Black borrowers. In calendar year 2022, FHA's percentage of mortgages to Black or Hispanic borrowers exceeded the market average by 26 percentage points.

FHA's ongoing focus on helping borrowers struggling financially because of COVID-19 yielded substantial results in FY23. FHA's other loss mitigation home retention options have helped almost 445,000 borrowers to regain their financial footing and avoid foreclosure over the course of the fiscal year. As of September 30, 2023, FHA's serious delinquency rate dropped to 3.93%, marking a significant reduction of 7.97 percentage points from the peak in November 2020.

In FY23, FHA continued to review its policies and programs to identify and address barriers to achieving racial equity. FHA took concrete action in key areas to advance equitable access to credit and address racial bias in the appraisal process. These actions included:

- During the fiscal year, FHA completed the actions necessary to contribute its appraisal data to the Federal Housing Finance Agency's efforts to create a shared, centralized federal appraisal database. When available, the database will help to inform research into equitable valuation strategies, potential enforcement actions, and policies and practices to mitigate bias.
- FHA is working to ensure that any borrower who suspects they have been a potential victim of appraisal bias knows what their options are to report their concerns, including requesting a reconsideration of a value (ROV) when the initial valuation is lower than expected. In January 2023, FHA sought public feedback on a draft Mortgagee Letter (ML) defining its standards for borrower initiated ROV requests. Following robust feedback on that policy, FHA and the Federal Housing Finance Agency formed a working group to increase coordination and develop more consistent standards for the ROV processes of FHA, Fannie Mae, and Freddie Mac. These standards will be released in FY 2024.

### Federal Housing Finance Agency

Consistent with their 2023 Scorecard, Fannie Mae and Freddie Mac (the Enterprises) continued efforts to modernize single-family appraisal processes and practices.[22] Throughout 2023, the Enterprises implemented new policies and tested alternate processes aimed at modernizing single-family residential valuation, improving data quality, reducing potential appraisal bias, and supporting effective risk management. This work included enhancements to their alternative valuation product offerings and ongoing engagement with industry stakeholders including lenders, appraisers, software providers, insurance companies, appraisal management companies, inspection companies, mortgage insurers, and industry trade associations.

Alternative valuation methods, such as appraisal waivers, benefit borrowers by reducing cycle times, easing appraiser capacity constraints during periods of high loan volume and, in many cases, lowering consumer costs. In March 2023, Fannie Mae introduced Value Acceptance + Property Data, an appraisal waiver accompanied by standardized property data collected by a trained third-party workforce.[23] In August 2023, Freddie Mac expanded its existing Automated Collateral Evaluation + Property Data Report (ACE+PDR) offering to include eligible purchase transactions.[24]

To further standardize property data and improve the lender and consumer experience, the

[22] https://www.fhfa.gov/sites/default/files/2023-04/2023-Scorecard.pdf

[23] https://singlefamily.fanniemae.com/media/33551/display

[24] https://guide.freddiemac.com/app/guide/bulletin/2023-16

Enterprises announced the joint Uniform Property Dataset (UPD) in July 2023.[25] This dataset contains all required, conditionally required, and optional data elements related to Enterprise-eligible property data collection. The Enterprises required compliance with the UPD as of April 2024.

In August 2023, the Enterprises jointly released updates to the Appraiser Independence Requirements (AIR) and introduced Property Data Collector Independence Requirements (PDCIR) for loans sold to the Enterprises.[26] Most notably, the AIR updates defined restricted parties and clarified that these parties are not permitted to order appraisals or be involved in the collateral valuation process. The new PDCIR sets forth standards that safeguard the independence, objectivity, and impartiality of property data collectors.

In November 2023, Freddie Mac adopted the American National Standards Institute® (ANSI® Z765-2021) standard for measuring, calculating, and reporting gross living area and non-gross living area on single-family properties.[27] Fannie Mae had adopted ANSI previously, in December 2021, with compliance required by April 2022.[28] This alignment of the Enterprises' policies will facilitate and promote consistency of property data collected through UPD in alternative valuation products. The alignment also will encourage the adoption of ANSI across the valuation industry.

The Enterprises' Appraisal Diversity Initiative (ADI), a nationwide program to attract new and diverse entrants into the appraisal field, made significant progress in 2023. ADI engaged with over 600 aspiring appraisers working through the National Urban League's affiliate Entrepreneurship Centers, hosting 11 workshops, university outreach, and industry engagements. ADI sponsors are key to the program's success, and in 2023, ADI secured 12 new sponsors, exceeding the annual goal of five. This brings the total number of ADI sponsors to 34.

The Enterprises are also continuing a multiyear project, started in 2018, to improve appraisal data quality and consistency by updating the Uniform Appraisal Dataset (UAD) and aligning it with current mortgage industry data standards. The project entails replacing all existing appraisal forms with a single dynamic Uniform Residential Appraisal Report (URAR) that reflects current appraisal data needs and provides the flexibility to adapt to future needs. The UAD and forms redesign project incorporate extensive feedback from, and reflect collaboration with, appraisers, lenders, vendors, consumer advocates, and other industry stakeholders.

To advance this project, the Enterprises in 2023 focused on stakeholder outreach and feedback to inform the update and expansion of published materials and to support industry development efforts. With publications in June, September, and December 2023,[29] the Enterprises provided additional resources as part of their joint education and communication strategy, and updated and re-published an expanded body of documentation to ensure alignment between individual resources and provide further clarifications. The Enterprises continue development of both instructor-led and online training for appraisers, as well as online training for non-appraisers, focusing on the use and review of the updated URAR.

The UAD update and forms redesign effort remain a priority on the 2024 Scorecard; a more detailed initiative timeline was published in January 2024.[30] While the overall timeline did not change, additional milestones were added to aid development, testing, and training all leading to Limited Production[31] beginning in Q3 2025.The Enterprises will continue to seek stakeholder feedback to address any development challenges and complete training materials required to support mortgage industry implementation efforts.

FHFA remains committed to addressing appraisal bias and enhancing valuation equity. FHFA is an

[25] https://sf.freddiemac.com/docs/pdf/upd-joint-announcement.pdf

[26] https://singlefamily.fanniemae.com/media/36516/display and https://guide.freddiemac.com/app/servicing/bulletin/2023-16

[27] https://guide.freddiemac.com/app/guide/bulletin/2023-15

[28] https://singlefamily.fanniemae.com/media/30266/display

[29] See https://sf.freddiemac.com/docs/pdf/uad_joint_announcement_june_2023.pdf at https://sf.freddiemac.com/docs/pdf/uad_joint_announcement_sept_2023_final.pdf, and https://sf.freddiemac.com/docs/pdf/uad_joint_announcement_dec_2023.pdf.

[30] https://sf.freddiemac.com/docs/pdf/fact-sheet/uad-redesign-timeline.pdf

[31] Limited Production uses the redesigned URAR and updated Uniform Collateral Data Portal (UCDP) in a fully functional production environment with a limited set of participants who are determined ready and approved to participate.

active participant in the Property Appraisal and Valuation Equity (PAVE) Interagency Task Force. In June 2023, FHFA and HUD established a working group to develop more consistent reconsideration of value (ROV) standards. An ROV is a request to the appraiser to re-assess the appraised value of a property due to potential appraisal reporting deficiencies, or based upon additional information the appraiser should consider. The ROV policies were issued in May 2024, with compliance required by August 29, 2024.

In August 2023, FHFA published a blog post analyzing valuation disparities in appraisals based on UAD Aggregate Statistics.[32] The UAD Aggregate Statistics data show a reduced appraisal gap in the period following the release of the PAVE action plan. While more analysis is needed to determine whether this is a causal relationship, the results represent an encouraging trend as public and private stakeholders continue efforts to eliminate appraisal bias.

In October 2023, FHFA published the new UAD Appraisal-Level Public Use File (PUF) to supplement the Agency's existing data and analysis on valuations in states and metropolitan areas across the country.[33] The PUF gives both stakeholders and the public new access to a broad set of data points and trends found in appraisal reports. It contains appraisal-level data from a nationally representative 5 percent sample of appraisals conducted between 2013 and 2021 and associated with mortgages acquired by the Enterprises. The dataset can be used to, among other things, study housing valuation, housing market disparities and inequities, and consumer preferences. The PUF provides the first-ever public access to appraisal-level records from the Enterprises and is the first available public dataset with borrower race and ethnicity matched to appraisal records. FHFA took significant steps to protect borrower privacy in developing the dataset.

In December 2023, FHFA issued orders[34] to the Enterprises to provide for long-term, regular appraisal data reporting to support FHFA's public appraisal data initiatives and FHFA supervisory oversight.

FHFA worked with the OCC, FRB, FDIC, NCUA, and CFPB to issue the proposed rule on Quality Control Standards for Automated Valuation Models (AVMs) in June 2023.[35] The proposed rule would implement the quality control standards mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) for the use of AVMs by mortgage originators and secondary market issuers in determining the collateral worth of a mortgage secured by a consumer's principal dwelling. The agencies are considering comments while working to finalize this rule.

---

[32] See "Have Racial and Ethnic Valuation Gaps in Home Purchase Narrowed?" at https://www.fhfa.gov/Media/Blog/Pages/Have-Racial-and-Ethnic-Valuation-Gaps-in-Home-Purchase-Narrowed.aspx.

[33] See "FHFA Publishes New Uniform Appraisal Dataset Appraisal-Level Public Use File" at https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Publishes-New-Uniform-Appraisal-Dataset-Appraisal-Level-Public-Use-File.aspx.

[34] See, https://www.fhfa.gov/SupervisionRegulation/LegalDocuments/Documents/Orders/Order-Enterprise-Appraisal-Data-Reporting-12-13-2023-FNMA.pdf and https://www.fhfa.gov/SupervisionRegulation/LegalDocuments/Documents/Orders/Order-Enterprise-Appraisal-Data-Reporting-12-13-2023-FRE.pdf

[35] https://www.fhfa.gov/SupervisionRegulation/Rules/RuleDocuments/Federal%20Register%20Notice%20AVM_Final%20Web%20Version.pdf

# Financial Status of the ASC

In fiscal year 2023, the ASC's revenue totaled approximately $11.8 million, and expenses (including the State grants) totaled approximately $5.8 million. ASC funds are derived from the Appraiser and AMC Registry fees. The annual Appraiser Registry fee of $40 is paid by licensed and certified appraisers to be listed on the Appraiser Registry as eligible to perform appraisals for federally related transactions. Appraiser Registry fees totaled $2.9 million in FY 2023. Annual AMC Registry fees are paid by AMCs consistent with the ASC rule on collection and transmission of AMC Registry fees.[36] The fee is based on the number of appraisers who performed an appraisal for a covered transaction during a defined annual period. AMC fees totaled $8.9 million in FY 2023.

Appendix A contains the ASC audited financial statements for fiscal year 2023, ending September 30, 2023. The ASC realized a net gain of approximately $6 million and has reserves of $27.8 million. During FY21, the ASC restructured its grants program and again committed approximately $4.9 million for FY23 grants. The external auditors found no material weakness involving the ASC's internal control structure and operation, or any material instances of noncompliance with selected provisions of applicable laws and regulations tested.

The ASC continued to provide careful stewardship of the funds entrusted to it as the following charts demonstrate. The bar graph reflects expenditures versus budgeted amounts for the most recent five-year period. This data reflects the ASC's continuing efforts to operate in an efficient and effective manner as shown by the fact that expenditures consistently were held below budgeted amounts.

[36] 12 CFR 1102.400 - 1102.403.



Q.33

***Q.34***

# APPENDICES

# APPRAISAL SUBCOMMITTEE

## FINANCIAL STATEMENTS

### SEPTEMBER 30, 2023

# APPRAISAL SUBCOMMITTEE

## Financial Statements

## September 30, 2023 and 2022

CONTENTS


| | |
|---|---|
| **Independent Auditor's Report** | 1-5 |
| **Management's Discussion and Analysis** | 6-10 |
| **Financial Statements:** | |
| Balance Sheets | 11 |
| Statements of Net Cost | 12 |
| Statements of Changes in Net Position | 13 |
| Statements of Budgetary Resources | 14 |
| Notes to the Financial Statements | 15-22 |




Q.37

BROWN & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC

**INDEPENDENT AUDITOR'S REPORT**

To the Appraisal Subcommittee of the Federal Financial Institutions Examination Council
Washington, DC 20005

In our audit of the fiscal year 2023 financial statements of the Appraisal Subcommittee (ASC), we found:

- ASC's financial statements as of and for the fiscal year ended September 30, 2023 are presented fairly, in all material respects, in accordance with United States of America (U.S.) generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed; and
- no reportable noncompliance with provisions of applicable laws, regulations, contracts, and grant agreements for fiscal year 2023.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI)[1] and other information included with the financial statements[2]; (2) our report on internal control over financial reporting; and (3) our report on compliance with laws, regulations, contracts, and grant agreements.

**Report on the Financial Statements**

Opinion

In accordance with the provisions of the Accountability of Tax Dollars Act of 2002 (ATDA) (Pub. L. No. 107-289), we have audited ASC's financial statements. ASC's financial statements comprise the balance sheet as of September 30, 2023; the related statement of net cost, change in net position, and budgetary resources for the fiscal year then ended; and the related notes to the financial statements In our opinion, ASC's financial statements present fairly, in all material respects, ASC's financial position as of September 30, 2023, and its net cost of operations, in net position, and budgetary resources for the fiscal year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ASC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

[1] The RSI consists of Management's Discussion and Analysis and the Statement of Budgetary Resources, which are included with the financial statements.
[2] Other information consists of information included with the financial statements, other than the RSI, Financial section, and the auditor's report.

6401 GOLDEN TRIANGLE DRIVE, SUITE 310 • GREENBELT, MD 20770
PHONE: (240) 770-4900 • FAX: (301) 773-2090 • mail@brownco-cpas.com • www.brownco-cpas.com

Other Matter

The financial statements of ASC for the period as of September 30, 2023 were audited by a predecessor auditor whose report dated May 23, 2023 expressed an unmodified opinion on those statements.

Responsibility of Management for the Financial Statements

ASC's management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in ASC's Annual Report and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ASC's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the financial statement audit.

BROWN & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit, and we do not express an opinion or provide any assurance on, the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

ASC's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in ASC's Annual Report. The other information comprises introductory and other information as applicable but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Report on Internal Control over Financial Reporting**

In connection with our audits of ASC**'s** financial statements, we considered ASC's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies [3]or to express an opinion on the effectiveness of ASC**'s** internal control over financial reporting. Given these limitations, during our 2023 audit, we did not identify any deficiencies in internal control over

[3] A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

During our 2023 audit, we identified deficiencies in ASC's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies. Nonetheless, these deficiencies warrant ASC's management's attention. We have communicated these matters to ASC management and, where appropriate, will report on them separately.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to ASC**'s** internal control over financial reporting in accordance with government auditing standards and Office of Management and Budget guidance.

Responsibilities of Management for Internal Control over Financial Reporting

ASC's management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of ASC's financial statements as of and for the fiscal year ended September 30, 2023, in accordance with U.S. generally accepted government auditing standards, we considered ASC's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ASC's internal control over financial reporting. Accordingly, we do not express an opinion on ASC's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of ASC**'s** internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of ASC**'s** internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering

internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

**Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements**

In connection with our audits of ASC's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2023 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to ASC. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Tests of Compliance section below.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

ASC management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to ASC.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to ASC that have a direct effect on the determination of material amounts and disclosures in ASC**'s** financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to ASC. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Brown & Company

Greenbelt, Maryland
May 10, 2024

BROWN & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT CONSULTANTS, PLLC

## Management's Discussion and Analysis

### Analysis of Systems, Control, and Legal Compliance

The Appraisal Subcommittee's (ASC) management is responsible for establishing and maintaining adequate internal controls and financial management systems that meet the Federal Manager's Financial Integrity Act (FMFIA) objectives. The ASC conducted its assessment in compliance with applicable laws and regulations in accordance with OMB Circular A-123, Management's Responsibility for Internal Control.

In October 2022, the ASC migrated to the SAGE Intaact Enterprise Resource Planning System where all ASC financial transactions are recorded and reported. The ASC financial operations are also supported by the Pegasys Financial Services under the General Services Administration External Services Branch. In FY2024, the ASC plans to utilize its accounting system more efficiently via data import conversion.

### ASC History

The Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council (FFIEC) was created on August 9, 1989, pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (Title XI). Title XI's purpose is to "provide that Federal financial and public policy interests in real estate transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision."

In general, the ASC oversees the real estate appraisal process as it relates to federally related transactions, as defined in Section 1121(4) of Title XI (1). The ASC is an FFIEC subcommittee. The FFIEC was established pursuant to Title X of the Financial Institutions Regulatory and Interest Rate Control Act of 1978. The FFIEC is an interagency body empowered to set uniform principles for the examination of federally regulated financial institutions.

Title XI requires the ASC to:

- monitor the requirements established by States:
    - for the certification and licensing of individuals who are qualified to perform appraisals in connection with federally related transactions, including a code of professional responsibility; and
    - for the registration and supervision of the operations and activities of appraisal management companies (AMCs)
- monitor the requirements established by the Federal financial institutions' regulatory agencies with respect to:
    - appraisal standards for federally related transactions under their jurisdiction; and
    - determinations as to which federally related transactions under their jurisdiction require the services of a State certified appraiser and which require the services of a State licensed appraiser.
- maintain a national registry of State certified and licensed appraisers (Appraiser Registry) who are eligible to perform appraisals in federally related transactions.



Q.43

- maintain a National Registry of AMCs (AMC Registry) that either are registered with and subject to supervision of a State appraiser certifying and licensing agency or are operating subsidiaries of a Federally regulated financial institution.

- monitor and review the practices, procedures, activities, and organizational structure of the Appraisal Foundation (Foundation).

- transmit an annual report to Congress not later than June 15 of each year that describes the way each function assigned to the ASC has been carried out during the preceding year.

Title XI also requires the ASC to:

- make grants in such amounts as it deems appropriate to the Foundation to help defray costs relating to the activities of the Appraisal Standards Board (ASB) and Appraiser Qualifications Board (AQB)

- make grants to State appraiser certifying and licensing agencies in accordance with policies developed by the ASC to support the efforts of such agencies to comply with Title XI, including—
    - the complaint process, complaint investigations, and appraiser enforcement activities of such agencies
    - the submission of data on State licensed and certified appraisers and AMCs to the Appraiser Registry and the AMC Registry, including information affirming that appraisers or AMCs meet required qualification criteria, and information on formal and informal disciplinary actions.
    - reporting to all State appraiser certifying and licensing agencies when a license or certification is surrendered, revoked or suspended.

The ASC has seven members, each designated respectively by the head of their agency, including the Board of Governors of the Federal Reserve System (Federal Reserve), Consumer Financial Protection Bureau (CFPB), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), Office of the Comptroller of the Currency (OCC), Federal Housing Finance Agency (FHFA), and U.S. Department of Housing and Urban Development (HUD). Title XI also requires the FFIEC to appoint a chairperson from the member representatives to serve a two-year term.

**The Appraisal Subcommittee's Mission Statement:**

The mission of the Appraisal Subcommittee (ASC) is to provide federal oversight of State appraiser and appraisal management company (AMC) regulatory programs and a monitoring framework for the Appraisal Foundation and the Federal Financial Institutions Regulatory Agencies in their roles to protect federal financial and public policy interests in real estate appraisals utilized in federally related transactions.

The ASC has identified three strategic goals for the next five years:

Strategic Goal 1: Innovate and modernize our processes, technology, and operations.

There are several opportunities for the ASC to advance its technological capabilities and to increase its effectiveness and outreach in an increasingly digitized world. To remain efficient in its internal and public-facing processes, the ASC is using automated processes that can increase the agency’s productivity, accessibility, and the speed of its services. Various tools and software have been or are being developed that can help improve the compliance review (CR) process, IT security, data management, and communication with stakeholders.

The ASC is increasing efficiency and strengthening internal control processes in financial and budget management through improved technology and operations by:

1. Converting all State regulatory agencies to the Automated Clearing House system (ACH) for collection of registry fee payments to increase efficiency, reduce costs and enhancing the ASC's security.
2. Maintaining a one-year operating reserve to provide financial stability and flexibility to cover any unexpected revenue shortfalls or unexpected expenses.
3. Creating a three- to five-year budget process to reduce the time and resources spent on building the required annual budget, thereby improving the ASC's ability to conduct long-term planning and manage resources.
4. Implementing a cloud-based ERP system that more efficiently manages resources, improves financial reporting, and improves budget management.

Additionally, the ASC is implementing additional technology and processes to improve technical assistance and collaboration with stakeholders by:

1. Transitioning all 55 jurisdictions to use Application Programming Interfaces (API) for ASC's National Registries to interface data from State regulatory agencies and the ASC's software applications.
2. Implement Compliance Review software supporting the States' regulatory agencies throughout the entire Compliance Review lifecycle.
3. Maintaining National Registries security and their continued operations to provide reliable and efficient access to appraiser and AMC credentialing information.

Strategic Goal 2: Support States' Ability to Maintain Compliance with Title XI and Strengthen Appraisal Foundation oversight.

Title XI has charged the ASC with the important responsibilities of oversight and support of the State regulatory agencies and the Appraisal Foundation. The ASC continues to promote and expand its grant program to the States and the Appraisal Foundation in ways that support those entities benefits key stakeholders.

The ASC seeks to achieve this goal by supporting State regulatory agencies to improve overall appraiser regulation and compliance with Title XI by:

1. Promoting grants and other opportunities to States to allow States to better understand and effectively enforce Title XI requirements.
2. Conducting training for State regulatory staff to provide targeted technical assistance and education on emerging trends and issues within the appraisal regulatory system.
3. Developing and enhancing available training for State agencies as preparation for their Compliance Reviews.

Strategic Goal 3: Increase Agency's Competencies, Skills, and Diversity.

The ASC values a diverse and inclusive work environment, fostering an environment where everyone can thrive and succeed, allowing staff career advancement, succession planning, and improving skills by:

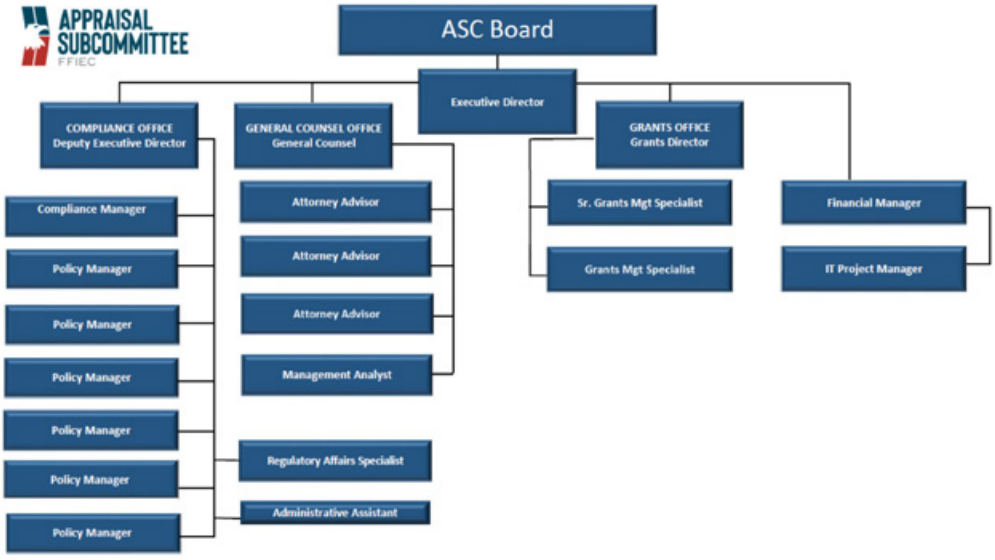
1. Employing a staffing model that includes the positions needed to effectively manage agency operational needs, including senior staff as well as entry- and mid-level positions.

2. Leveraging Federal Employee Viewpoint Survey (FEVS) results and conducting brainstorming workshops with employees and Board members to make improvements to the overall organizational structure.
3. Establish and assess progress against internal diversity, equity, inclusion, and accessibility (DEIA) goals.

**Economic Conditions**

ASC revenue is generated by fees collected from the National Registry of Appraisers and AMCs. The U.S. economy is experiencing higher interest rates than in the recent past which has decreased lending and appraisal activity which will impact ASC revenue.

**Appraisal Subcommittee Organizational Chart**



**Financial Information**

**Limitations to the Financial Statements**

The financial statements have been prepared to report the financial position, financial condition, and results of operations, consistent with the requirements of the 31 U.S.C. § 3515(b). The statements are prepared from records of the ASC in accordance with Federal generally accepted accounting principles (GAAP) and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

**Principal Financial Statements**

The Principal Financial Statements (Statements) have been prepared to report the financial position and results of operations of the ASC. ASC's management is responsible for the selecting the accounting principles necessary for fair presentation of ASC's financial statements, which includes ensuring compliance with the GAAP hierarchy fair presentation of information contained in the principal financial statements. The Statements have been prepared from the books and records of the ASC in accordance with formats prescribed by the Office of Management and Budget (OMB) in OMB Circular A-136, Financial Reporting Requirements, revised.

***The Balance Sheets*** provides information on assets, liabilities, and net position similar to balance sheets reported in the private sector. Intra-departmental balances have been eliminated from the amounts presented.

***The Statement of Net Cost*** reports the components of the net costs of the ASC's operations for the period. The net cost of operations consists of the gross cost incurred by the ASC less any exchange (i.e., earned) revenue from our activities. Intra-departmental balances have been eliminated from the amounts presented.

***The Statements of Changes in Net Position*** reports the beginning net position, the transactions that affect net position for the period, and the ending net position. Intra-departmental transactions have been eliminated from the amounts presented.

***The Statements of Budgetary Resources*** provides information on how budgetary resources were made available and their status at the end of the year. Information in this statement is reported on the budgetary basis of accounting. Intra-departmental transactions have not been eliminated from the amounts presented.

***Required Supplementary Information*** includes Management's Discussion and Analysis.

***Notes to the Financial Statements*** describe significant accounting policies as well as detailed information on select statement lines.

## APPRAISAL SUBCOMMITTEE

### Balance Sheets
### As of September 30, 2023 and 2022

**Assets**

| | 2023 | 2022 |
|---|---|---|
| **Assets:** | | |
| Intragovernmental Assets: | | |
| Fund Balance With Treasury | | |
| Unrestricted Fund Balance with Treasury | $ 25,587,509 | $ 21,380,625 |
| Restricted Fund Balance with Treasury | 4,521,800 | 3,908,798 |
| **Total Intragovernmental Assets** | 30,109,309 | 25,289,423 |
| Accounts Receivable | 2,342,841 | 1,800,604 |
| Property, Plant and Equipment, net | 1,411,837 | 1,319,006 |
| **Total Assets** | 33,863,987 | 28,409,033 |

**Liabilities and Net Position**

| | | |
|---|---|---|
| **Liabilities:** | | |
| Intragovernmental Liabilities: | | |
| Unearned revenues | 1,424,898 | 1,578,951 |
| Restricted funds held for others | 4,254,918 | 3,908,798 |
| Total Intragovernmental Liabilities: | 5,679,816 | 5,487,749 |
| Accounts payable | 73,382 | 351,054 |
| Grants payable | 2,879 | 496,987 |
| Accrued funded payroll and leave | 55,875 | 56,627 |
| Unfunded leave | 264,123 | 266,730 |
| **Total Liabilities** | 6,076,075 | 6,659,147 |
| **Net Position:** | | |
| Unexpended Appropriations - All Other | - | - |
| Cumulative Results of Operations - All | 27,787,912 | 21,749,886 |
| **Total Net Position** | 27,787,912 | 21,749,886 |
| **Total Liabilities and Net Position** | $ 33,863,987 | $ 28,409,033 |

The accompanying notes are an integral part of the Financial Statements.

## APPRAISAL SUBCOMMITTEE

### Statements of Net Cost
### For The Years Ended September 30, 2023 and 2022

| | 2023 | 2022 |
|---|---|---|
| **Program Costs:** | | |
| Public costs | $ 5,695,555 | $ 5,634,478 |
| Less: Earned Revenue | (11,733,580) | (11,480,322) |
| **Net Program Costs** | **$ (6,038,025)** | **$ (5,845,844)** |

The accompanying notes are an integral part of the Financial Statements.



Q.49

## APPRAISAL SUBCOMMITTEE

### Statements of Changes in Net Position
### For The Years Ended September 30, 2023 and 2022

| | 2023 | 2022 |
|---|---|---|
| **Cumulative Results of Operations:** | | |
| Beginning Balance | $ 21,749,886 | $ 15,904,042 |
| Beginning Balance, As Adjusted | 21,749,886 | 15,904,042 |
| Budgetary Financing Sources: | | |
| Appropriations used | - | - |
| Other Financing Sources: | | |
| Imputed financing | - | - |
| Total Financing Sources | - | - |
| Net Cost of Operations (+/-) | 6,038,025 | 5,845,844 |
| Net Change | 6,038,025 | 5,845,844 |
| **Cumulative Results of Operations** | $ 27,787,911 | $ 21,749,886 |
| **Unexpended Appropriations:** | | |
| Beginning Balance | $ - | $ - |
| Beginning Balance, As Adjusted | - | - |
| Budgetary Financing Sources: | | |
| Appropriations received | 10,279,230 | 11,830,505 |
| Other adjustments | - | - |
| Appropriations used | (10,279,230) | (11,830,505) |
| Total Budgetary Financing Sources | - | - |
| **Total Unexpended Appropriations** | - | - |
| **Net Position** | $ - | $ - |

The accompanying notes are an integral part of the Financial Statements.

## APPRAISAL SUBCOMMITTEE

### Statements of Budgetary Resources
### For The Years Ended September 30, 2023 and 2022

| | 2023 Budgetary | 2022 Budgetary |
|---|---|---|
| **Budgetary Resources:** | | |
| Unobligated balance brought forward, October 1 | $ 18,326,441 | $ 12,362,702 |
| Unobligated balance brought forward, October 1, as adjusted | 18,326,441 | 12,362,702 |
| Recoveries from prior year unpaid obligations | 132,749 | 52,106 |
| Recoveries from prior year paid obligations | 2,551 | 240 |
| Other changes in unobligated balance | - | - |
| Unobligated balance from prior year budget authority, net | 18,461,741 | 12,415,048 |
| Appropriations (Discretionary and Mandatory) | 10,279,230 | 11,830,505 |
| **Total Budgetary Resources** | $ 28,740,971 | $ 24,245,553 |
| **Status of Budgetary Resources:** | | |
| New obligations and upward adjustments (total) | $ 6,303,128 | $ 5,919,112 |
| Unobligated balance, end of year | | |
| Apportioned, unexpired accounts | - | - |
| Unapportioned, unexpired accounts | 22,437,843 | 18,326,441 |
| Unexpired unobligated balance, end of year | 22,437,843 | 18,326,441 |
| Expired unobligated balance, end of year | - | - |
| Unobligated balance, end of year | 22,437,843 | 18,326,441 |
| **Total Status of Budgetary Resources** | $ 28,740,971 | $ 24,245,553 |
| **Change in Obligated Balance:** | | |
| Unpaid obligations: | | |
| Unpaid obligations, brought forward, October 1 | $ 549,217 | $ 524,964 |
| New obligations and upward adjustments | 6,303,128 | 5,919,112 |
| Outlays (gross) (-) | (6,072,483) | (5,842,753) |
| Recoveries of prior year unpaid obligations | (132,749) | (52,106) |
| Unpaid obligations, end of year | 647,113 | 549,217 |
| Uncollected payments: | | |
| Uncollected payments, Fed sources, brought forward, October 1 (-) | - | - |
| Change in uncollected payments, Fed sources (+/-) | - | - |
| Uncollected payments, Fed sources, end of year (-) | - | - |
| Memorandum (non-add) entries | | |
| **Obligated balance, start of year (+/-)** | 549,217 | 524,964 |
| **Obligated balance, end of year (+/-)** | $ 647,113 | $ 549,217 |
| **Budget Authority and Outlays, Net:** | | |
| Budget authority, gross (discretionary and mandatory) | $ 10,279,230 | $ 11,830,505 |
| Actual offsetting collections (discretionary and mandatory) | (2,552) | - |
| Recoveries of prior year paid obligations (discretionary and mandatory) | 2,552 | - |
| Budget authority, net (total) (discretionary and mandatory) | 10,279,230 | 11,830,505 |
| Outlays (gross) (discretionary and mandatory) | (6,072,483) | (5,842,513) |
| Actual offsetting collections (discretionary and mandatory) | 2,552 | - |
| Outlays, net (total) (discretionary and mandatory) | (6,069,931) | (5,842,513) |
| **Agency Outlays, net (discretionary and mandatory)** | $ (6,069,931) | $ (5,842,513) |

The accompanying notes are an integral part of the Financial Statements.



Q.51

**APPRAISAL SUBCOMMITTEE**

**Notes to the Financial Statements**
**September 30, 2023 and 2022**

**Note 1** ***Summary of Significant Accounting Policies***

*Organization*

The Appraisal Subcommittee of the Federal Financial Institutions Examination Council (the "Appraisal Subcommittee" or "ASC") was created by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act ("FIRREA") of 1989. The mission of the Appraisal Subcommittee is to monitor the certification and licensing programs of the States to determine compliance with Title XI of FIRREA. The purpose of this title is to ensure that the federal financial and public policy interests in real estate-related transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision. In accordance with Title XI of FIRREA, an appraiser must be registered to perform appraisals connected to federal transactions. Effective January 1, 2012, ASC raised the annual fee assessed to the States from $25 per registered appraiser to $40.

The federal financial institutions regulatory agencies include the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Consumer Financial Protection Bureau ("CFPB"), the Office of the Comptroller of the Currency, and the National Credit Union Administration. The member agencies of the Appraisal Subcommittee include the federal financial institutions regulatory agencies, the Department of Housing and Urban Development, and the Federal Housing Finance Agency ("FHFA"). The CFPB and FHFA were added as members to the ASC as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act").

Effective November 24, 2017, the ASC adopted a final rule to implement collection and transmission of appraisal management company ("AMC") annual registry fees under the Dodd-Frank Act. The first full year of collection of AMC fees began on October 1, 2018. The ASC adopted Section 1102.402. Section 1102.402 establishes the annual AMC registry fee for States that elect to register and supervise AMCs as follows:

> In the case of an AMC that has been in existence for more than a year, $25 multiplied by the number of appraisers who have performed an appraisal for the AMC on a covered transaction in such date during the previous year. If an AMC has not been in existence for more than a year, $25 multiplied by the number of appraisers who have performed an appraisal for the AMC on a covered transaction in such State since the AMC commenced doing business.

**APPRAISAL SUBCOMMITTEE**

**Notes to the Financial Statements**
**September 30, 2023 and 2022**

*Basis of Accounting and Presentation*

These financial statements have been prepared from the accounting records of ASC in accordance with Generally Accepted Accounting Principles in the United States of America ("GAAP"), and the form and content for entity financial statements specified by the Office of Management and Budget ("OMB") in OMB Circular No. A-136, as amended. GAAP for federal entities are standards prescribed by the Federal Accounting Standards Advisory Board ("FASAB"), which has been designated the official accounting standards-setting body for the Federal Government by the American Institute of Certified Public Accountants. The accompanying financial statements have been prepared to report the financial position, net cost, changes in net position, and budgetary resources of the ASC as required by the Accountability of Tax Dollars Act of 2002.

OMB Circular No. A-136 requires agencies to prepare financial statements, which include Balance Sheets, Statements of Net Cost, Statement of Changes in Net Position, and Statements of Budgetary Resources. The Balance Sheets present, as of September 30, 2023 and 2022, amounts of future economic benefits owned or managed by ASC (assets), amounts owed by ASC (liabilities), and amounts, which comprise the difference (net position). The Statements of Net Cost report the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within ASC and other reporting entities. The Statements of Budgetary Resources report on an agency's budgetary activity.

Transactions are recorded on the accrual accounting basis in accordance with OMB Circular No. A-136. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Significant assumptions made in these financial statements include future collection of receivables and deferring revenue on the receipt of 25% of the incremental fee from $25 to $40.

*Budgetary Basis of Accounting*

The ASC'S programs and activities are funded through annual appropriations and appraisal fees. Congress annually adopts a budget appropriation that provides the ASC with authority to use funds from the U.S. Department of the Treasury (Treasury) to meet operating expense requirements. The ASC has single year budgetary authority and all unobligated amounts at year-end expire. At the end of the fifth year following the year of execution, all amounts not expended are canceled and returned to the Treasury. Additionally, all revenue received from other sources must be returned to the Treasury.

**APPRAISAL SUBCOMMITTEE**

**Notes to the Financial Statements**
**September 30, 2023 and 2022**

Budgetary accounting measures appropriation and consumption of budget/spending authority and facilitates compliance with legal constraints and controls over the use of federal funds. Under budgetary reporting principles, budgetary resources are consumed at the time an obligation is incurred. Only those liabilities for which valid obligations have been established are considered to consume budgetary resources.

*Fund Balance with U.S. Treasury*

Fund Balance with the U.S. Treasury is the aggregate amount of the ASC's funds with Treasury in expenditure, receipt, and revolving fund accounts. Appropriated funds recorded in expenditure accounts are available to pay current liabilities and finance authorized purchases. The ASC does not maintain bank accounts of its own, has no disbursing authority, and does not maintain cash held outside of the Treasury. Treasury disburses funds for the agency upon request.

*Restricted Fund Balance with U.S. Treasury*

Restricted fund balance with the U.S. Treasury are amounts restricted by law that the Appraisal Subcommittee received in conjunction with the $15 fee increase, as permitted by the Dodd-Frank Act. As part of the fee increase that was effective January 1, 2012, Congress specifically required the ASC to set aside 25% of the increase without specifications as to how it could be used. Accordingly, these funds have been classified as a liability on the balance sheets.

*Accounts Receivable*

Accounts receivable consist of amounts due to the Appraisal Subcommittee for Appraisal Management Company (AMC) and National Registry (NR) fees. As of September 30, 2023 and 2022, management is of the opinion that an allowance for doubtful accounts is not necessary.

**APPRAISAL SUBCOMMITTEE**

**Notes to the Financial Statements**
**September 30, 2023 and 2022**

*Property and Equipment*

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives ranging from three to ten years. The capitalization threshold is $5,000 for assets with a useful life of three or more years. For bulk purchases, items will be capitalized when the individual useful lives are at least three years and have an aggregate value of $15,000 or more.

*Annual and Sick Leave Program*

Annual leave is accrued as it is earned by employees and is included in personnel compensation and benefits cost. An unfunded liability is recognized as earned but unused annual leave since, from a budgetary standpoint, this annual leave will be paid from future funding sources when the leave is used by employees. The amount accrued is based upon the current pay rates of the employees. Sick leave is expensed when used and no liability is recognized as employees have no right to be paid for unused sick leave.

*Unearned Revenues*

Registry fees received in advance are deferred and recognized as earned during the applicable fee year.

*Tax Status*

The Appraisal Subcommittee is a federal governmental agency and is therefore generally exempt from income taxes under Section 115 of the Internal Revenue Code.

**Note 2** ***Fund Balance with Treasury***

| | 2023 | 2022 |
|---|---|---|
| Status of Fund Balance with Treasury | | |
| Unobligated Balance - Unrestricted | | |
| (a) Available | $25,587,509 | $21,380,625 |
| (b) Unavailable | - | - |
| Unobligated Balance - Restricted | | |
| (a) Available | 4,521,800 | 3,908,798 |
| (b) Unavailable | - | - |
| Obligated Balance not yet Disbursed | 647,113 | 549,217 |
| Non-Budgetary FBWT | - | - |
| Total | $30,756,422 | $25,838,640 |

**APPRAISAL SUBCOMMITTEE**

**Notes to the Financial Statements**
**September 30, 2023 and 2022**

**Note 3** ***Accounts Receivable***

| | 2023 | 2022 |
|---|---|---|
| **Fees** | | |
| Appraisal Management Company Registry (AMC) | $1,365,525 | $1,200,468 |
| National Registry (NR) | 977,316 | 600,136 |
| Total | $2,342,841 | $1,800,604 |

**Note 4** ***Property and Equipment, Net***

Property and equipment, net at September 30, consist of the following:

| | 2023 | 2022 |
|---|---|---|
| ***Property and equipment not depreciated:*** | | |
| Work in Progress | $ 617,031 | $1,297,483 |
| ***Property and equipment depreciated:*** | | |
| Computer equipment | 1,541,621 | 531,692 |
| Total property and equipment | 2,158,652 | 1,829,175 |
| Less: Accumulated Depreciation | 746,814 | 510,169 |
| **Net Property and Equipment** | $1,411,837 | $1,319,006 |

**Note 5** ***Liabilities Not Covered by Budgetary Resources***

The ASC does not have any liabilities that are not covered by budgetary resources.

**Note 6** ***Appraisal Foundation Grant***

Title XI of FIRREA provides that amounts appropriated for, or collected by, the Appraisal Subcommittee be used to make grants to The Appraisal Foundation (the "Foundation") to help defray costs of the Foundation relating to the activities of its Appraisal Standards Board (“ASB”), Appraiser Qualifications Board (“AQB”), and State Investigator Training Grants. Since the inception of the Appraisal Subcommittee on August 9, 1989, it has made grants to the Foundation under which approximately $22,451,000 was expended through September 30, 2023. In October 2020, the ASC published a Notice of Funding Availability (NOFA) for a 3-year Competitive Federal Cooperative Agreement for Training and Technical Assistance for State Appraiser and AMC Regulatory Agencies in the amount of $1,050,000, providing up to $350,000

**APPRAISAL SUBCOMMITTEE**

**Notes to the Financial Statements**
**September 30, 2023 and 2022**

annually. The project period for this award was October 1, 2020 through September 30, 2023. The Appraisal Foundation did not respond to the NOFA during the period of funding availability and it expired on 9/30/2023.

**Note 7** ***Retirement and Benefit Plans***

The Appraisal Subcommittee contributes to the Civil Service Retirement System and the Federal Employees' Retirement System administered by the Office of Personnel Management for the benefit of U.S. Government employees. The retirement plans are participatory. Under the Civil Service Retirement System, the employer and employee each contribute amounts ranging from 7-8 percent of salary to the plan. Under the Federal Employees' Retirement System, 13 percent of salary is contributed by the Appraisal Subcommittee and 1 percent of salary is contributed by the employee.

The Appraisal Subcommittee contributes up to 5 percent of base pay for participants in the Thrift Savings Plan under the Federal Employees Retirement System. Contributions by the Appraisal Subcommittee during fiscal years 2023 and 2022 for the Civil Service Retirement System and the Federal Employees' Retirement System plans aggregated approximately $474,000 and $398,000, respectively.

Although the Appraisal Subcommittee contributes a portion of pension benefits for its employees participating in the retirement plans and withholds the necessary payroll deductions from them, it has no liability for future payments to employees under those programs and is not accountable for the assets of the Civil Service and Federal Employees' Retirement Systems, nor does the Appraisal Subcommittee have actuarial data concerning the accumulated plan benefits or the unfunded pension liability relating to its employees. These amounts are reported by the Office of Personnel Management for the retirement systems and are not allocated to individual employers. The Office of Personnel Management also accounts for all health and life insurance programs for retired federal employees.

**Note 8** ***Interagency Transactions***

In conducting its administrative operations, the Appraisal Subcommittee uses the services of various other federal agencies. The largest of the administrative service arrangements is with the U.S. General Services Administration for certain accounting and reporting functions, and processing of payroll and related benefits. Operating expenses of the Appraisal Subcommittee for fiscal years ended 2023 and 2022 include approximately $150,000 and $131,000, respectively, for these services.

**APPRAISAL SUBCOMMITTEE**

**Notes to the Financial Statements**
**September 30, 2023 and 2022**

**Note 9** ***Reconciliation of Net Cost of Operations to Budget***

| | 2023 | 2022 |
|---|---|---|
| **Net Cost** | $5,695,555 | $5,569,478 |
| ***Components of Net Cost that are not part of Net Outlays:*** | | |
| Property and equipment depreciation | (236,645) | (12,216) |
| Change in budgetary resources obligated for goods, services, and benefits ordered but not yet provided | (493,593) | 377,403 |
| (Increase) / Decrease in Liabilities | | |
| Accounts payable | 277,672 | (112,306) |
| Grants payable | 494,109 | (496,987) |
| Salaries and benefits | 3,359 | 86,412 |
| ***Components of Net Outlays that are not part of Net Cost:*** | | |
| Acquisition of capital assets | 329,475 | 430,729 |
| **Net Outlays** - Budgetary | $6,069,931 | $5,842,513 |

A reconciliation of net cost of operations to budget is presented above to show the relationship between accrual-based (financial accounting) information in the statement of net cost and obligation-based (budgetary accounting) information in the statement of budgetary resources. This reconciliation ensures that the proprietary and budgetary accounts in the financial management system are in balance. For FY 2023 and 2022, the ASC reconciled the difference between the $6.0 million and $5.8 million in obligated resources and the $5.7 million and $5.6 million in the net cost of operations, respectively, by adjusting for offsetting collections, adjustments, recoveries, financing resources not part of the net cost of operations, and depreciation.

**APPRAISAL SUBCOMMITTEE**

**Notes to the Financial Statements**
**September 30, 2023 and 2022**

**Note 10** ***Undelivered Orders at September 30***

At September 30, 2023 and 2022, budgetary resources obligated for undelivered orders were as follows:

| | 2023 | | |
|---|---|---|---|
| | Federal | NonFederal | Total |
| Unpaid Undelivered Orders | $ 50,893 | $ 266,307 | $ 317,200 |
| Paid Undelivered Orders | 4,799 | - | 4,799 |
| Total Undelivered Orders | $ 55,692 | $ 266,307 | $ 321,999 |

| | 2022 | | |
|---|---|---|---|
| | Federal | NonFederal | Total |
| Unpaid Undelivered Orders | $ 72,916 | $ 77,725 | $ 150,641 |
| Paid Undelivered Orders | 4,799 | - | 4,799 |
| Total Undelivered Orders | $ 77,715 | $ 77,725 | $ 155,440 |

**Note 11** ***Management's Acceptance of Financial Statements***

*Subsequent Events*

Management has evaluated subsequent events through May 10, 2024, the date for which the financial statements were available for issuance. Management has accepted the financial statements and did not identify any events subsequent to September 30, 2023, requiring disclosure in the financial statements.

| 2019-2020 AND 2023 APPRAISER PROGRAM COMPLIANCE REVIEW FINDINGS | | | |
|---|---|---|---|
| **AREAS OF NON-COMPLIANCE** | **2019** | **2020** | **2023** |
| Requirement/ Guidance Areas | 27 States Reviewed | 12 States Reviewed | 19 States Reviewed |
| Statutes, Regulations, Policies and Procedures: | 5 | 3 | 1 |
| Temporary Practice: | 5 | 1 | 6 |
| National Registry: | 0 | 2 | 4 |
| Application Process: | 7 | 2 | 4 |
| Reciprocity: | 0 | 0 | 0 |
| Education: | 1 | 0 | 1 |
| Enforcement: | 0 | 1 | 4 |

The table above documents 2019-2020 and 2023 Compliance Review Findings by requirement and areas of guidance

| **STATE COMPLIANCE STATUS** | **2019** | **2020** | **2023** |
|---|---|---|---|
| Requirement/ Guidance Areas | 27 States Reviewed | 12 States Reviewed | 19 States Reviewed |
| Excellent | 11 | 2 | 7 |
| Good | 12 | 6 | 12 |
| Needs Improvement | 4 | 3 | 0 |
| Not Satisfactory | 0 | 1 | 0 |
| Poor | 0 | 0 | 0 |

The table above documents 2019-2020 and 2023 Compliance Review Findings by requirement and areas of guidance

| 2023 APPRAISER PROGRAM COMPLIANCE REVIEW SUMMARY | | | |
|---|---|---|---|
| **STATE APPRAISER PROGRAM** | **MONTH OF REVIEW** | **ASC FINDING** | **REVIEW CYCLE** |
| Arizona | January 2023 | Excellent | Two-Year |
| New Jersey | January 2023 | Excellent | Two-Year |
| Florida | February 2023 | Excellent | Two-Year |
| Minnesota | February 2023 | Excellent | Two-Year |
| Nebraska | March 2023 | Excellent | Two-Year |
| District of Columbia | March 2023 | Good | Two-Year |
| Tennessee | April 2023 | Good | Two-Year |
| Connecticut | April 2023 | Good | Two-Year |
| North Dakota | May 2023 | Good | Two-Year |
| Massachusetts | May 2023 | Good | Two-Year |
| Oregon | June 2023 | Good | Two-Year |
| Washington | August 2023 | Good | Two-Year |
| South Carolina | August 2023 | Good | Two-Year |
| Pennsylvania | August 2023 | Good | Two-Year |
| Delaware | September 2023 | Good | Two-Year |
| Colorado | September 2023 | Excellent | Two-Year |
| Illinois | October 2023 | Good | Two-Year |
| North Carolina | October 2023 | Excellent | Two-Year |
| California | November 2023 | Good | Two-Year |



Q.61

| 2023 AMC PROGRAM COMPLIANCE REVIEW SUMMARY | | | |
|---|---|---|---|
| **STATE APPRAISER PROGRAM** | **MONTH OF REVIEW** | **ASC FINDING** | **REVIEW CYCLE** |
| Arizona | January 2023 | Good | Two-Year |
| New Jersey | January 2023 | Good | Two-Year |
| Florida | February 2023 | Good | Two-Year |
| Minnesota | February 2023 | Good | Two-Year |
| Nebraska | March 2023 | Excellent | Two-Year |
| District of Columbia | March 2023 | Good | Two-Year |
| Tennessee | April 2023 | Good | Two-Year |
| Connecticut | April 2023 | Good | Two-Year |
| North Dakota | May 2023 | Good | Two-Year |
| Massachusetts | May 2023 | Good | Two-Year |
| Oregon | June 2023 | Good | Two-Year |
| Washington | August 2023 | Good | Two-Year |
| South Carolina | August 2023 | Good | Two-Year |
| Pennsylvania | August 2023 | Good | Two-Year |
| Delaware | September 2023 | Good | Two-Year |
| Colorado | September 2023 | Excellent | Two-Year |
| Illinois | October 2023 | Good | Two-Year |
| North Carolina | October 2023 | Good | Two-Year |
| California | November 2023 | Good | Two-Year |

| YEAR-END APPRAISER CREDENTIALS | | | | | |
|---|---|---|---|---|---|
| YEAR END | CERTIFIED GENERAL | CERTIFIED RESIDENTIAL | LICENSED | TRANSITIONAL | TOTAL CREDENTIALS |
| 1992 | 23,133 | 19,772 | 18,406 | 4,405 | 65,716 |
| 1993 | 30,348 | 26,163 | 27,316 | 8,882 | 92,709 |
| 1994 | 32,450 | 29,949 | 17,960 | 6,043 | 86,402 |
| 1995 | 32,305 | 32,733 | 19,375 | 2,244 | 86,657 |
| 1996 | 31,628 | 33,141 | 16,984 | 226 | 81,979 |
| 1997 | 32,519 | 32,161 | 17,371 | 318 | 82,369 |
| 1998 | 34,485 | 35,697 | 15,287 | 23 | 85,492 |
| 1999 | 34,082 | 34,237 | 18,676 | 24 | 87,019 |
| 2000 | 34,609 | 34,702 | 19,755 | 28 | 89,094 |
| 2001 | 33,246 | 34,401 | 19,837 | 23 | 87,507 |
| 2002 | 32,959 | 35,233 | 21,261 | 37 | 89,490 |
| 2003 | 33,394 | 37,418 | 21,575 | 47 | 92,434 |
| 2004 | 33,725 | 40,726 | 25,095 | 46 | 99,592 |
| 2005 | 34,074 | 43,327 | 28,185 | 52 | 105,638 |
| 2006 | 34,812 | 46,701 | 29,921 | 51 | 111,485 |
| 2007 | 36,881 | 54,177 | 30,286 | 63 | 121,407 |
| 2008 | 37,851 | 56,704 | 25,931 | 65 | 120,551 |
| 2009 | 38,061 | 57,253 | 21,434 | 43 | 116,791 |



Q.63

| YEAR-END APPRAISER CREDENTIALS | | | | | |
|---|---|---|---|---|---|
| YEAR END | CERTIFIED GENERAL | CERTIFIED RESIDENTIAL | LICENSED | TRANSITIONAL | TOTAL CREDENTIALS |
| 2010 | 37,807 | 55,522 | 16,674 | 23 | 110,026 |
| 2011 | 38,016 | 54,201 | 13,900 | 13 | 106,130 |
| 2012 | 37,834 | 52,504 | 11,875 | 12 | 102,225 |
| 2013 | 38,332 | 51,893 | 10,648 | 1 | 100,874 |
| 2014 | 38,777 | 51,240 | 9,507 | 0 | 99,524 |
| 2015 | 39,257 | 50,472 | 8,622 | 0 | 98,351 |
| 2016 | 39,246 | 49,631 | 7,926 | 0 | 96,803 |
| 2017 | 39,262 | 48,720 | 7,749 | 0 | 95,731 |
| 2018 | 39,135 | 47,908 | 7,481 | 0 | 94,524 |
| 2019 | 39,606 | 47,776 | 7,321 | 0 | 94,703 |
| 2020 | 39,070 | 47,073 | 7,061 | 0 | 93,204 |
| 2021 | 39,110 | 46,903 | 7,249 | 0 | 93,262 |
| 2022 | 39,730 | 47,131 | 7,438 | 0 | 94,299 |
| 2023 | 40,349 | 46,834 | 7,339 | 0 | 94,522 |



Q.64

**MONTHLY APPRAISER CREDENTIAL TRENDS** *AS OF DECEMBER 31, 2023

| DATE | CERTIFIED GENERAL | CERTIFIED RESIDENTIAL | LICENSED | TRANSITIONAL | TOTAL CREDENTIALS | DISTINCT APPRAISERS (+/- 5%) |
|---|---|---|---|---|---|---|
| Jan 2022 | 39,146 | 46,904 | 7,247 | 0 | 93,297 | 71,518 |
| Feb 2022 | 38,788 | 46,648 | 7,153 | 0 | 92,589 | 70,969 |
| Mar 2022 | 39,030 | 46,809 | 7,181 | 0 | 93,020 | 71,150 |
| Apr 2022 | 39,122 | 46,870 | 7,211 | 0 | 93,203 | 71,228 |
| May 2022 | 39,312 | 47,009 | 7,273 | 0 | 93,594 | 71,342 |
| June 2022 | 39,395 | 47,077 | 7,324 | 0 | 93,796 | 71,317 |
| July 2022 | 39,639 | 47,213 | 7,400 | 0 | 94,252 | 71,437 |
| Aug 2022 | 39,173 | 46,915 | 7,360 | 0 | 93,448 | 70,919 |
| Sep 2022 | 39,178 | 46,791 | 7,342 | 0 | 93,311 | 71,063 |
| Oct 2022 | 39,370 | 46,892 | 7,389 | 0 | 93,651 | 70,749 |
| Nov 2022 | 39,595 | 47,040 | 7,420 | 0 | 94,055 | 71,084 |
| Dec 2022 | 39,730 | 47,131 | 7,438 | 0 | 94,299 | 70,679 |
| Jan 2023 | 39,591 | 47,078 | 7,498 | 0 | 94,167 | 70,761 |
| Feb 2023 | 39,576 | 47,058 | 7,482 | 0 | 94,116 | 70,634 |
| Mar 2023 | 39,707 | 47,144 | 7,493 | 0 | 94,344 | 70,715 |
| Apr 2023 | 39,890 | 47,262 | 7,538 | 0 | 94,690 | 70,836 |
| May 2023 | 39,987 | 47,292 | 7,511 | 0 | 94,790 | 70,792 |
| June 2023 | 40,263 | 47,406 | 7,529 | 0 | 95,198 | 70,946 |

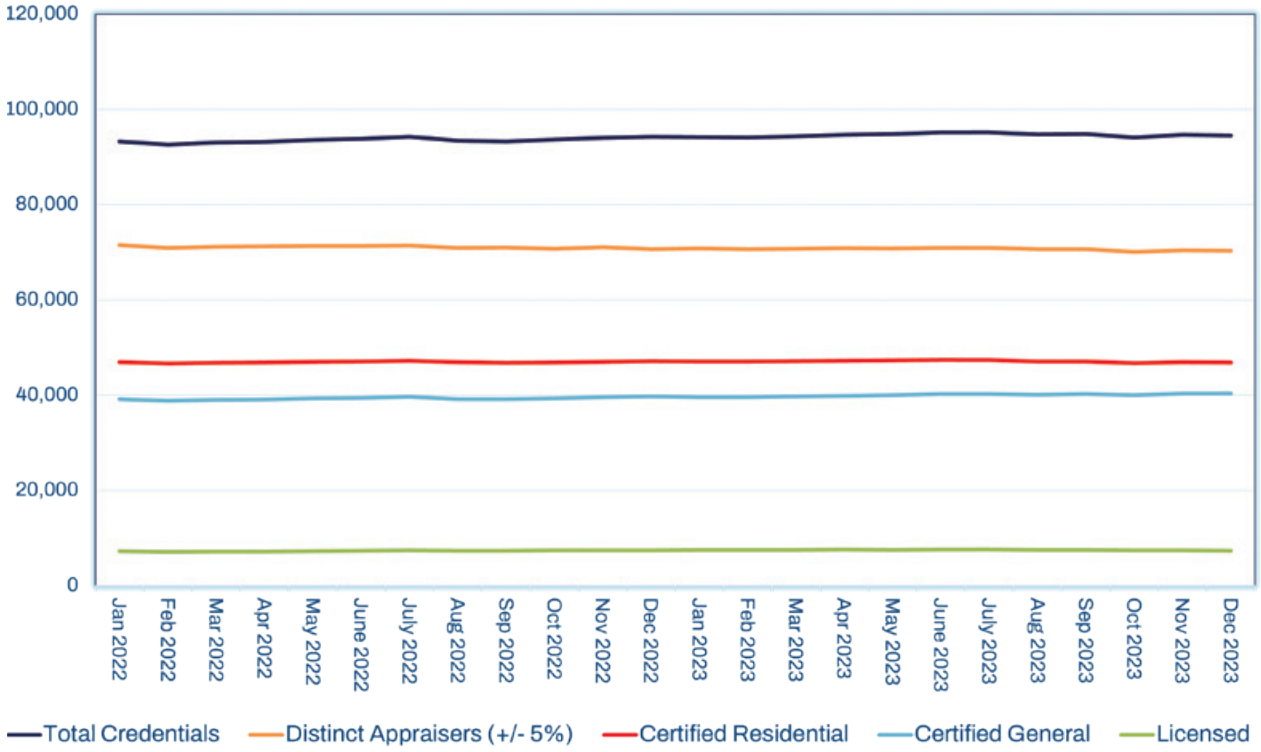


Q.65

**MONTHLY APPRAISER CREDENTIAL TRENDS** *AS OF DECEMBER 31, 2023

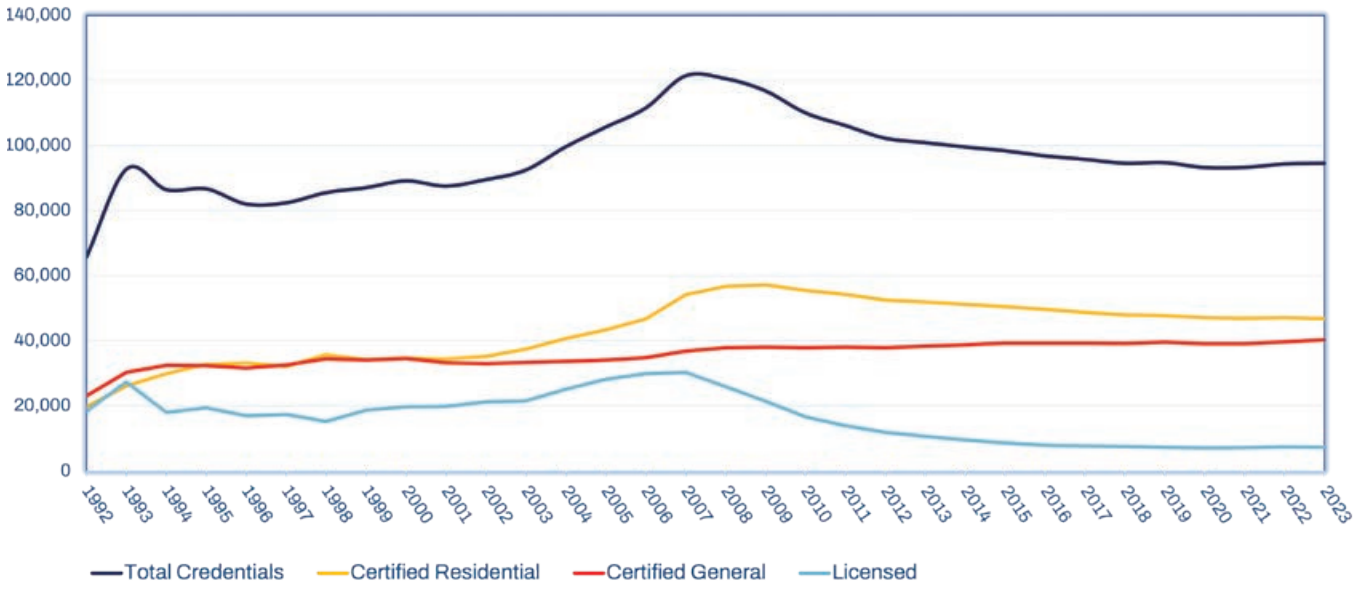
| DATE | CERTIFIED GENERAL | CERTIFIED RESIDENTIAL | LICENSED | TRANSITIONAL | TOTAL CREDENTIALS | DISTINCT APPRAISERS (+/- 5%) |
|---|---|---|---|---|---|---|
| July 2023 | 40,285 | 47,392 | 7,541 | 0 | 95,218 | 70,958 |
| Aug 2023 | 40,107 | 47,111 | 7,509 | 0 | 94,727 | 70,667 |
| Sep 2023 | 40,225 | 47,096 | 7,457 | 0 | 94,778 | 70,667 |
| Oct 2023 | 39,991 | 46,725 | 7,382 | 0 | 94,098 | 70,081 |
| Nov 2023 | 40,332 | 46,907 | 7,427 | 0 | 94,666 | 70,376 |
| Dec 2023 | 40,349 | 46,834 | 7,339 | 0 | 94,522 | 70,298 |

# Monthly Appraiser Credential Trends




# Yearly Appraisers Credential Trends

## As of Dec 31, 2023






Q.67

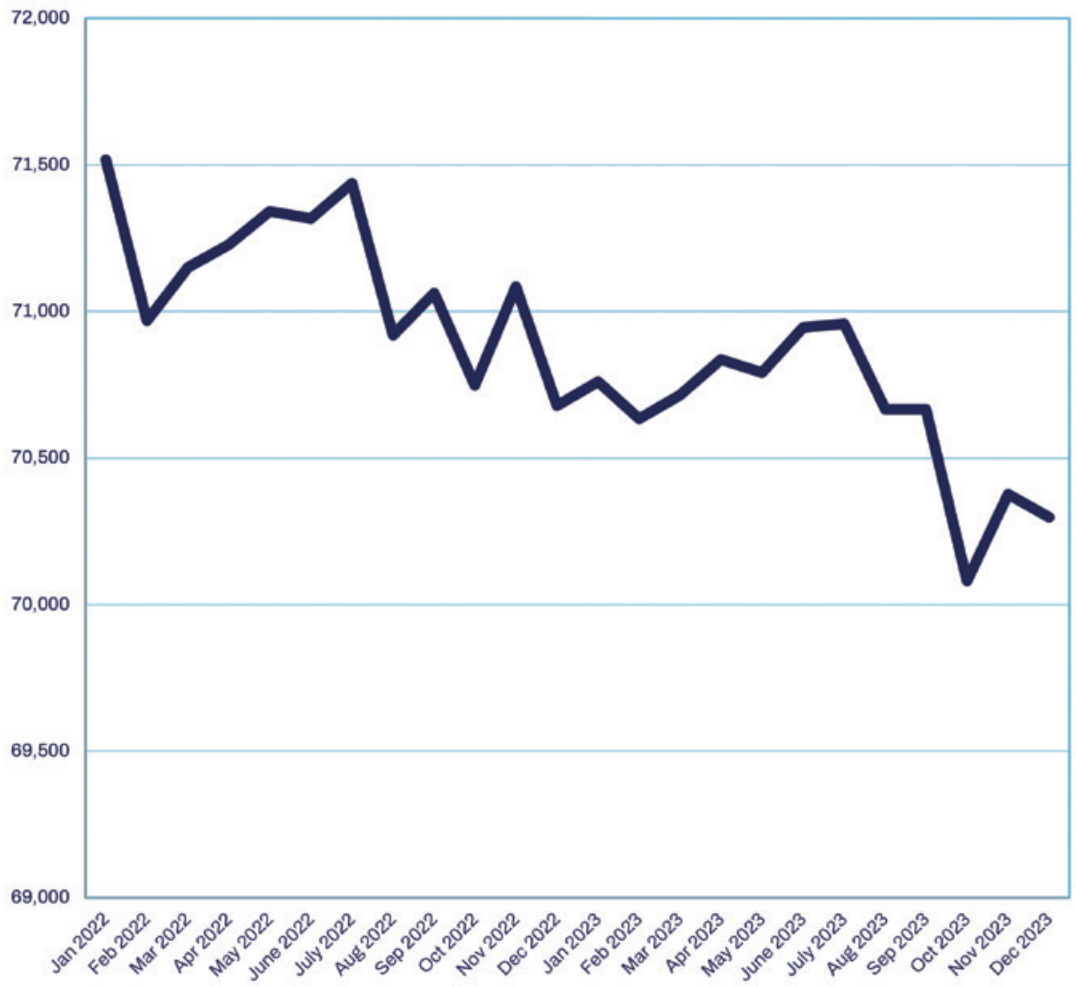
| STATE OR TERRITORY | NUMBER OF DISTINCT ACTIVE APPRAISERS DECEMBER 31, 2023 (+/- 5%) |
|---|---|
| Alabama | 1317 |
| Alaska | 236 |
| Arizona | 2298 |
| Arkansas | 888 |
| California | 8186 |
| Colorado | 2855 |
| Connecticut | 1205 |
| Delaware | 508 |
| District Of Columbia | 827 |
| Florida | 6039 |
| Georgia | 3341 |
| Guam | 22 |
| Hawaii | 537 |
| Idaho | 836 |
| Illinois | 3024 |
| Indiana | 2203 |
| Iowa | 1153 |
| Kansas | 1075 |
| Kentucky | 1352 |
| Louisiana | 1341 |
| Maine | 610 |
| Maryland | 2143 |
| Massachusetts | 1860 |
| Michigan | 2504 |

| STATE OR TERRITORY | NUMBER OF DISTINCT ACTIVE APPRAISERS DECEMBER 31, 2023 (+/- 5%) |
|---|---|
| Minnesota | 1758 |
| Mississippi | 993 |
| Missouri | 2003 |
| Montana | 494 |
| Nebraska | 676 |
| Nevada | 987 |
| New Hampshire | 659 |
| New Jersey | 2616 |
| New Mexico | 642 |
| New York | 3406 |
| North Carolina | 3074 |
| North Dakota | 327 |
| Northern Mariana Islands | 4 |
| Ohio | 2745 |
| Oklahoma | 1146 |
| Oregon | 1398 |
| Pennsylvania | 2926 |
| Puerto Rico | 291 |
| Rhode Island | 446 |
| South Carolina | 2337 |
| South Dakota | 402 |
| Tennessee | 2151 |
| Texas | 5791 |
| Utah | 1270 |


Q.69

| STATE OR TERRITORY | NUMBER OF DISTINCT ACTIVE APPRAISERS DECEMBER 31, 2023 (+/- 5%) |
|---|---|
| Vermont | 259 |
| Virgin Islands | 23 |
| Virginia | 3200 |
| Washington | 2583 |
| West Virginia | 585 |
| Wisconsin | 1919 |
| Wyoming | 356 |
| All States and Territories | 70,298 |

# DISTINCT APPRAISERS



# Tools for Monitoring State Compliance with Title XI

| MONITORING TOOL | DESCRIPTION | FREQUENCY |
|---|---|---|
| Routine Compliance Reviews | Full on-site Reviews of State appraiser regulatory Programs. | Every 2 years or annually if ASC determines a State needs closer monitoring. |
| Follow-up Compliance Reviews | On-site Reviews focused on areas of noncompliance identified during routine Compliance Reviews. | 6 to 12 months after previous Compliance Review. |
| Priority Contact Visits | On-site visits, usually to States with large populations of appraisers, to discuss potentially problematic emerging issues and maintain a close working relationship with the State agency. | As needed. |
| Off-site Monitoring | Telephone or e-mail contacts with State agencies regarding emerging compliance issues and progress in addressing previously identified issues. | Continuous. |



Q.71

# Appraiser Disciplinary Action Reported by States

January 1, 2014 - December 31, 2023

| STATE | ADDITIONAL EDUCATION | DOWNGRADE | LIMITED | MONETARY FINE | OFFICIAL REPRIMAND | OTHER | PROBATION | REVOCATION | SUSPENSION | TP ACTION | VOLUNTARY SURRENDER | WARNING, CORRECTIVE ACTION, AND ORDISCIPLINARY ACTION | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Alabama | 25 | 0 | 0 | 75 | 14 | 41 | 0 | 1 | 3 | 0 | 3 | 15 | 177 |
| Alaska | 5 | 0 | 0 | 8 | 0 | 9 | 1 | 1 | 0 | 0 | 0 | 4 | 28 |
| Arizona | 54 | 0 | 0 | 11 | 0 | 3 | 15 | 6 | 9 | 0 | 5 | 2 | 105 |
| Arkansas | 17 | 0 | 2 | 21 | 0 | 1 | 18 | 0 | 3 | 0 | 6 | 0 | 68 |
| California | 547 | 0 | 30 | 458 | 1 | 11 | 110 | 27 | 108 | 0 | 42 | 0 | 1334 |
| Colorado | 35 | 2 | 0 | 45 | 6 | 15 | 4 | 18 | 16 | 0 | 18 | 62 | 221 |
| Connecticut | 1 | 0 | 0 | 87 | 0 | 0 | 1 | 1 | 5 | 0 | 1 | 1 | 97 |
| Delaware | 18 | 0 | 0 | 26 | 49 | 2 | 7 | 3 | 3 | 0 | 0 | 0 | 108 |
| District Of Columbia | 8 | 0 | 0 | 6 | 5 | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 23 |
| Florida | 118 | 0 | 0 | 146 | 1 | 52 | 99 | 40 | 20 | 0 | 0 | 0 | 476 |
| Georgia | 0 | 0 | 0 | 0 | 9 | 208 | 0 | 19 | 12 | 0 | 0 | 0 | 248 |
| Guam | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hawaii | 3 | 0 | 0 | 12 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 16 |
| Idaho | 14 | 0 | 0 | 46 | 0 | 26 | 20 | 2 | 2 | 0 | 0 | 1 | 111 |
| Illinois | 23 | 0 | 1 | 152 | 25 | 3 | 11 | 19 | 89 | 0 | 9 | 15 | 347 |
| Indiana | 1 | 0 | 0 | 2 | 3 | 0 | 22 | 1 | 7 | 0 | 1 | 1 | 38 |
| Iowa | 25 | 0 | 2 | 4 | 3 | 7 | 1 | 3 | 6 | 0 | 15 | 37 | 103 |
| Kansas | 18 | 2 | 0 | 11 | 0 | 0 | 1 | 1 | 0 | 0 | 3 | 0 | 36 |
| Kentucky | 40 | 1 | 0 | 29 | 2 | 13 | 0 | 3 | 12 | 0 | 1 | 0 | 101 |
| Louisiana | 19 | 0 | 0 | 28 | 26 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 74 |
| Maine | 32 | 0 | 0 | 43 | 17 | 2 | 4 | 3 | 7 | 0 | 3 | 19 | 130 |
| Maryland | 32 | 0 | 0 | 94 | 10 | 0 | 0 | 1 | 17 | 0 | 8 | 0 | 162 |
| Massachusetts | 81 | 0 | 0 | 90 | 21 | 0 | 56 | 11 | 10 | 0 | 8 | 0 | 277 |
| Michigan | 11 | 0 | 0 | 103 | 6 | 28 | 48 | 6 | 13 | 0 | 2 | 0 | 217 |
| Minnesota | 44 | 0 | 0 | 105 | 0 | 27 | 2 | 5 | 12 | 0 | 2 | 77 | 274 |
| Mississippi | 23 | 0 | 0 | 1 | 0 | 4 | 2 | 0 | 4 | 0 | 3 | 2 | 39 |
| Missouri | 0 | 0 | 0 | 0 | 0 | 10 | 33 | 8 | 13 | 0 | 5 | 0 | 69 |

# Appraiser Disciplinary Action Reported by States

January 1, 2014 - December 31, 2023

| STATE | ADDITIONAL EDUCATION | DOWNGRADE | LIMITED | MONETARY FINE | OFFICIAL REPRIMAND | OTHER | PROBATION | REVOCATION | SUSPENSION | TP ACTION | VOLUNTARY SURRENDER | WARNING, CORRECTIVE ACTION, AND ORDISCIPLINARY ACTION | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Montana | 11 | 0 | 0 | 8 | 1 | 1 | 5 | 3 | 8 | 0 | 2 | 0 | 39 |
| Nebraska | 11 | 1 | 1 | 11 | 0 | 6 | 2 | 0 | 3 | 0 | 3 | 3 | 41 |
| Nevada | 88 | 0 | 0 | 31 | 0 | 0 | 0 | 7 | 7 | 0 | 4 | 5 | 142 |
| New Hampshire | 5 | 0 | 0 | 3 | 5 | 0 | 0 | 5 | 1 | 0 | 0 | 0 | 19 |
| New Jersey | 32 | 0 | 0 | 82 | 12 | 1 | 5 | 2 | 16 | 0 | 4 | 0 | 154 |
| New Mexico | 3 | 0 | 0 | 1 | 0 | 0 | 0 | 5 | 2 | 0 | 1 | 29 | 41 |
| New York | 143 | 0 | 0 | 200 | 12 | 0 | 0 | 22 | 24 | 0 | 2 | 4 | 407 |
| North Carolina | 88 | 0 | 3 | 0 | 44 | 2 | 6 | 1 | 36 | 0 | 6 | 4 | 190 |
| North Dakota | 8 | 0 | 0 | 12 | 0 | 3 | 1 | 2 | 2 | 0 | 2 | 1 | 31 |
| Ohio | 63 | 0 | 0 | 62 | 8 | 0 | 0 | 3 | 44 | 0 | 0 | 0 | 180 |
| Oklahoma | 113 | 1 | 5 | 190 | 2 | 109 | 60 | 10 | 193 | 0 | 10 | 13 | 706 |
| Oregon | 71 | 0 | 0 | 90 | 3 | 3 | 1 | 4 | 9 | 0 | 14 | 11 | 206 |
| Pennsylvania | 61 | 0 | 0 | 83 | 9 | 2 | 16 | 7 | 14 | 0 | 9 | 4 | 205 |
| Puerto Rico | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 3 |
| Rhode Island | 1 | 0 | 0 | 1 | 4 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 8 |
| South Carolina | 42 | 0 | 0 | 42 | 44 | 1 | 5 | 1 | 6 | 0 | 16 | 0 | 157 |
| South Dakota | 14 | 0 | 3 | 19 | 11 | 2 | 0 | 0 | 3 | 0 | 3 | 3 | 58 |
| Tennessee | 72 | 1 | 0 | 52 | 0 | 2 | 0 | 2 | 20 | 0 | 7 | 41 | 197 |
| Texas | 177 | 0 | 5 | 126 | 7 | 127 | 64 | 14 | 56 | 0 | 30 | 20 | 626 |
| Utah | 18 | 1 | 0 | 23 | 0 | 1 | 4 | 1 | 1 | 0 | 3 | 1 | 53 |
| Vermont | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 | 0 | 1 | 0 | 4 |
| Virginia | 49 | 0 | 0 | 81 | 0 | 1 | 9 | 13 | 13 | 0 | 1 | 81 | 248 |
| Washington | 29 | 0 | 0 | 33 | 0 | 0 | 31 | 9 | 10 | 0 | 3 | 0 | 115 |
| West Virginia | 5 | 0 | 0 | 2 | 3 | 5 | 0 | 2 | 5 | 0 | 1 | 2 | 25 |
| Wisconsin | 83 | 0 | 26 | 1 | 110 | 2 | 0 | 2 | 49 | 0 | 23 | 0 | 296 |
| Wyoming | 6 | 0 | 0 | 6 | 0 | 1 | 1 | 0 | 0 | 0 | 1 | 0 | 15 |
| Total | 2387 | 9 | 78 | 2763 | 474 | 731 | 667 | 298 | 899 | 0 | 281 | 458 | 9045 |



Q.73

## AMC Disciplinary Action Report by States

| STATE | ADDITIONAL EDUCATION | DOWNGRADE | LIMITED | MONETARY FINE | OFFICIALRE PRIMAND | OTHER | PROBATION | REVOCATION | SUSPENSION | TP ACTION | VOLUNTARY SURRENDER | WARNING, CORRECTIVE ACTION, AND ORDISCIPLINARY ACTION | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Alabama | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 2 | 0 | 3 |
| Alaska | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Arizona | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 1 | 4 |
| Arkansas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| California | 0 | 0 | 0 | 2 | 0 | 0 | 1 | 0 | 2 | 0 | 3 | 0 | 8 |
| Colorado | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Connecticut | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Delaware | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| District Of Columbia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 0 | 5 |
| Florida | 0 | 0 | 0 | 60 | 11 | 0 | 0 | 1 | 8 | 0 | 0 | 0 | 80 |
| Idaho | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Illinois | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| Iowa | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 3 | 8 |
| Kansas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Kentucky | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maine | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 2 |
| Maryland | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Minnesota | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 2 | 1 | 4 |
| Mississippi | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Missouri | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Montana | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Nebraska | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 0 | 3 |
| Nevada | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Jersey | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New Mexico | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New York | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| North Carolina | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

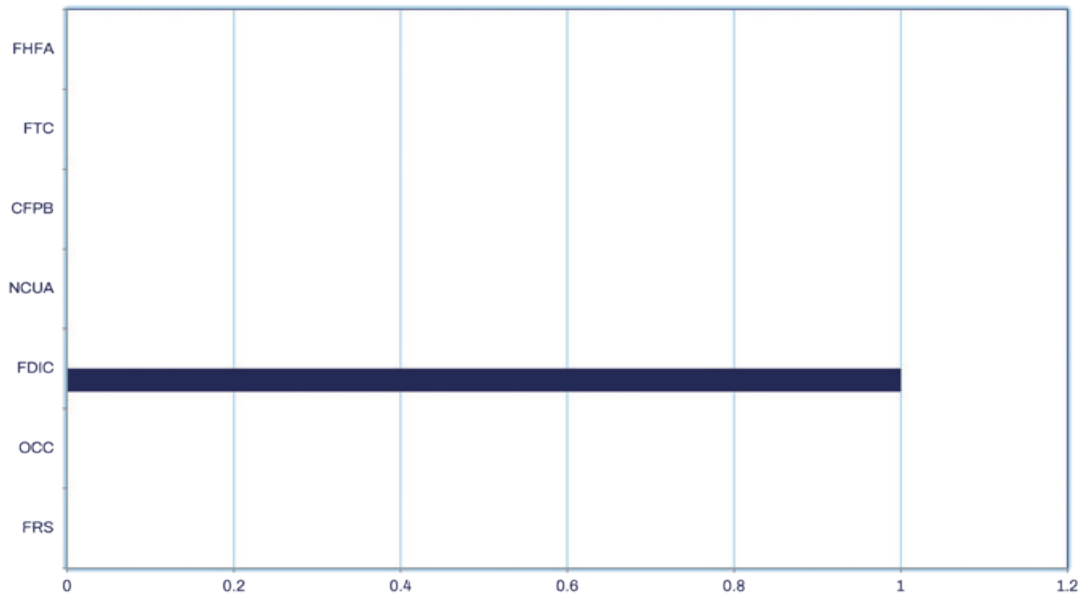
# AMC Disciplinary Action Report by States

| STATE | ADDITIONAL EDUCATION | DOWNGRADE | LIMITED | MONETARY FINE | OFFICIALRE PRIMAND | OTHER | PROBATION | REVOCATION | SUSPENSION | TP ACTION | VOLUNTARY SURRENDER | WARNING, CORRECTIVE ACTION, AND ORDISCIPLINARY ACTION | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| North Dakota | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ohio | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Oklahoma | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 |
| Oregon | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pennsylvania | 0 | 0 | 0 | 5 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| South Carolina | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| South Dakota | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Tennessee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 4 |
| Texas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utah | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 6 |
| Virginia | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 6 |
| West Virginia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wyoming | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 2 |
| Total | 0 | 0 | 0 | 87 | 13 | 1 | 2 | 4 | 10 | 0 | 22 | 15 | 154 |

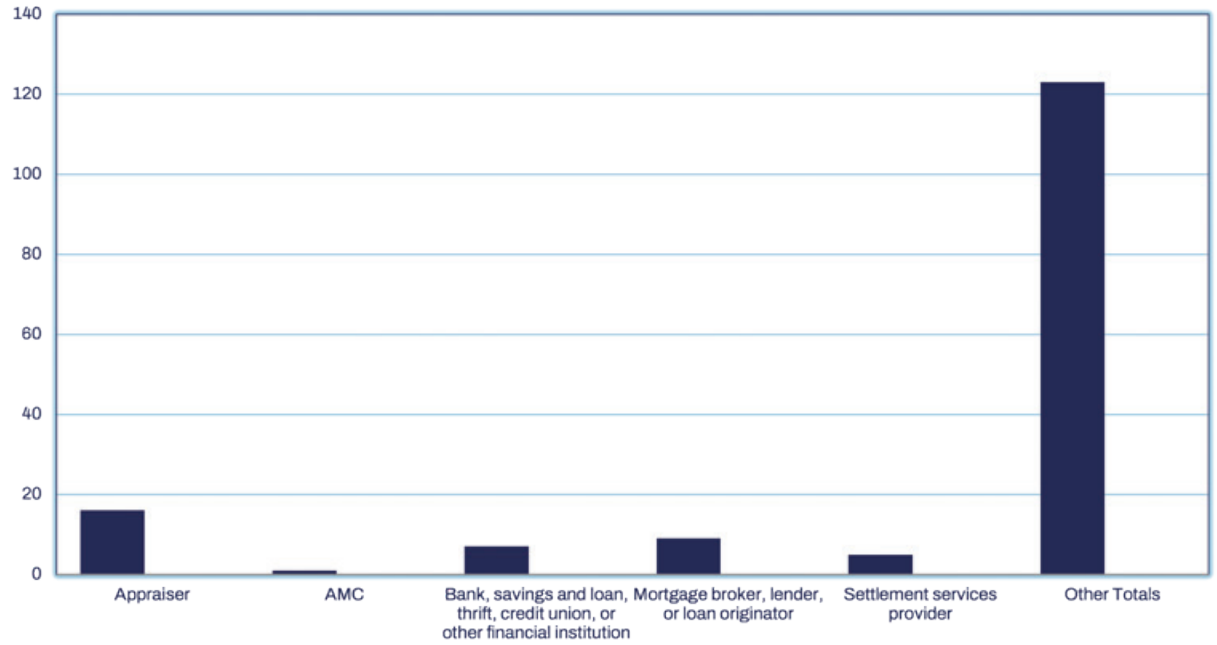
| 2023 | | | | |
|---|---|---|---|---|
| **IN-BOUND SOURCE** | **2023 TOTALS** | **REFERRAL TYPE** | **DESCRIPTION** | **2023 TOTALS** |
| Call Center Calls | 702 | Complainant | Appraiser | 16 |
| Call Center Referrals | | | AMC | 1 |
| Email Referral | 72 | | Bank, savings and loan, thrift, credit union, or other financial institution | 7 |
| Website Hits/Visits | 3144 | | Mortgage broker, lender, or loan originator | 9 |
| Federal Agency Referrals | 1 | | Settlement services provider | 5 |
| State Agency Referrals | 110 | | Other Totals | 123 |
| **MEMBER AGENCY REFERRALS** | | | Consumer* | 93 |
| **AGENCY** | **2023 TOTALS** | | Real Estate Agent | 0 |
| FRS | 0 | | Attorney | 0 |
| OCC | 0 | | Insurance Agent | 0 |
| FDIC | 1 | | Federal Entity | 1 |
| NCUA | 0 | | Blank/Undefined | 29 |
| CFPB | 0 | Complaint | USPAP | 73 |
| FTC | 0 | | Appraisal Independence | 41 |

| 2023 | | | | |
|---|---|---|---|---|
| **IN-BOUND SOURCE** | **2023 TOTALS** | **REFERRAL TYPE** | **DESCRIPTION** | **2023 TOTALS** |
| FHFA | 0 | Complaint Against | Appraiser | 23 |
| *Consumer consists of the following self-identified categories: Property Owner, Homeowner, Buyer, Borrower, Seller and Loan Applicant. | | | AMC | 3 |
| | | | Bank, savings and loan, thrift, credit union, or other financial institution | 3 |
| | | | Mortgage broker, lender, or loan originator | 4 |
| | | | Settlement services provider | 1 |
| | | | Other | 3 |
| | | Property Type | 1-4 Unit Residential | 92 |
| | | | Commercial | 11 |
| | | | No Property | 7 |
| | | Federal Loan Type | FHA | 24 |
| | | | VA | 10 |
| | | | USDA | 2 |
| | | | None | 74 |

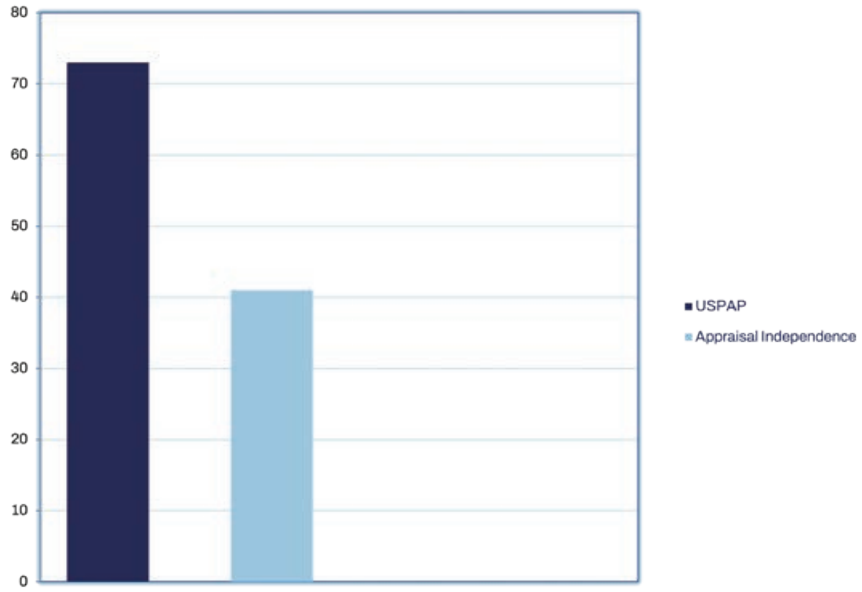
# Federal Agency Referrals
2023



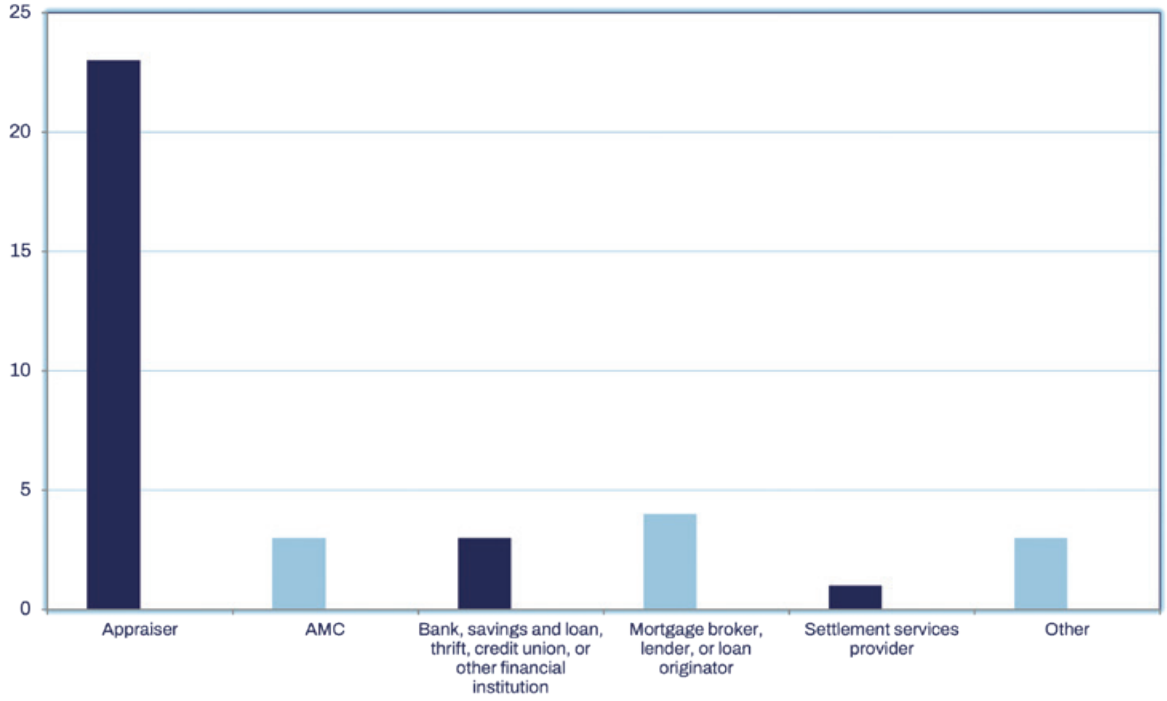

# Complainant Type
2023



# Complaint Type
2023



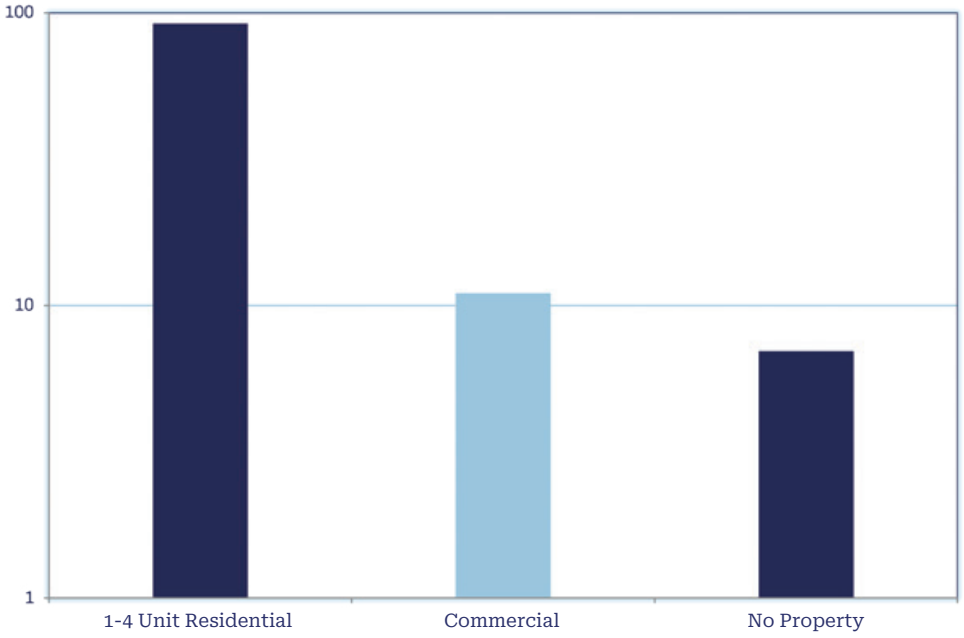

# Complaint Against
2023



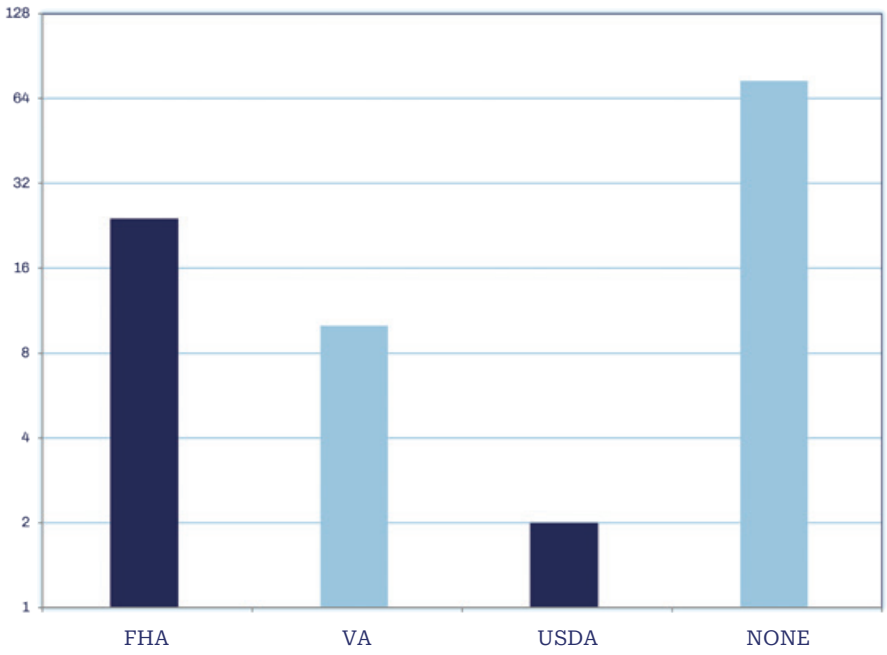


Q.79

# Property Type
## YTD 2023




# Federal Loan Type
## YTD 2023



| COMPLAINANT | AGENCY | | | | | |
|---|---|---|---|---|---|---|
| | FDIC | FRB | NCUA | OCC | CFPB | TOTAL |
| Appraiser | 0 | 0 | 0 | 19 | 13 | 32 |
| Appraisal Management Company | 0 | 0 | 0 | 0 | 0 | 0 |
| Business Property Owner | 2 | 0 | 0 | 0 | 0 | 2 |
| Financial Institution Lender | 0 | 0 | 0 | 0 | 1 | 1 |
| Individual Property Owner | 8 | 2 | 0 | 14 | 109 | 133 |
| Mortgage Broker | 0 | 0 | 0 | 0 | 2 | 2 |
| Non-Financial Institution Lender | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 5 | 0 | 0 | 4 | 10 | 19 |
| **COMPLAINT AGAINST** | **FDIC** | **FRB** | **NCUA** | **OCC** | **CFPB** | **TOTAL** |
| Appraiser | 5 | 0 | 0 | 1 | 51 | 57 |
| Appraisal Management Company | 0 | 0 | 0 | 1 | 8 | 9 |
| Lender | 14 | 2 | 0 | 34 | 71 | 121 |
| Other | 1 | 0 | 0 | 1 | 8 | 10 |
| **COMPLAINT TYPE** | **FDIC** | **FRB** | **NCUA** | **OCC** | **CFPB** | **TOTAL** |
| Non-Compliance with USPAP | 7 | 0 | 0 | 3 | 87 | 97 |
| Appraisal Independence | 4 | 0 | 0 | 0 | 23 | 27 |
| Other | 4 | 2 | 0 | 34 | 25 | 65 |



Q.81

# Unofficial ASC staff version of Title XI Title XI of FIRREA Real Estate Appraisal Reform [12 U.S.C. 3331-3356] as amended by the Dodd-Frank Act and the Economic Growth, Regulatory Relief and Consumer Protection Act

## § 1101. Purpose

*[12 U.S.C. 3331]*

The purpose of this title is to provide that Federal financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision.

## § 1102. Establishment of Appraisal Subcommittee of the Federal Financial Institutions Examination Council

*[12 U.S.C. 3310]*

The Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3301 et seq.) is amended by adding at the end thereof the following new section:

## § 1011. Establishment of Appraisal Subcommittee

There shall be within the Council a subcommittee to be known as the Appraisal Subcommittee, which shall consist of the designees of the heads of the Federal financial institutions regulatory agencies, the Bureau of Consumer Financial Protection, and the Federal Housing Finance Agency. Each such designee shall be a person who has demonstrated knowledge and competence concerning the appraisal profession. At all times at least one member of the Appraisal Subcommittee shall have demonstrated knowledge and competence through licensure, certification, or professional designation within the appraisal profession.

## § 1103. Functions of Appraisal Subcommittee

*[12 U.S.C. 3332]*

(a) *In general*. The Appraisal Subcommittee shall—

(1) monitor the requirements established by States—

(A) for the certification and licensing of individuals who are qualified to perform appraisals in connection with federally related transactions, including a code of professional responsibility; and

(B) for the registration and supervision of the operations and activities of an appraisal management company;

(2) monitor the requirements established by the Federal financial institutions regulatory agencies [and the Resolution Trust Corporation] with respect to—

(A) appraisal standards for federally related transactions under their jurisdiction, and

(B) determinations as to which federally related transactions under their jurisdiction require the services of a State certified appraiser and which require the services of a State licensed appraiser;

(3) maintain a National Registry of State certified and licensed appraisers who are eligible to perform appraisals in federally related transactions;

(4) [Omitted] terminated effective May 15, 2000, pursuant to § 3003 of Act Dec. 21, 1995, P.L. 104-66, which appears as 31 USCS § 1113 note (see also page 170 of House Document No. 103-7);

(5) transmit an annual report to the Congress not later than June 15 of each year that describes the manner in which each function assigned to the Appraisal Subcommittee has been carried out during the preceding year. The report shall also detail the activities of the Appraisal Subcommittee, including the results of all audits of State appraiser regulatory agencies, and provide an accounting of disapproved actions and warnings taken in the previous year, including a description of the conditions causing the disapproval and actions taken to achieve compliance; and

(6) maintain a national registry of appraisal management companies that either are registered with and subject to supervision

of a State appraiser certifying and licensing agency or are operating subsidiaries of a Federally regulated financial institution.

(b) *Monitoring and reviewing Foundation.* The Appraisal Subcommittee shall monitor and review the practices, procedures, activities, and organizational structure of the Appraisal Foundation.

### § 1104. Chairperson of Appraisal Subcommittee; term of Chairperson; meetings

*[12 U.S.C. 3333]*

(a) *Chairperson.* The Council shall select the Chairperson of the subcommittee. The term of the Chairperson shall be 2 years.

(b) *Meetings; quorum; voting.* The Appraisal Subcommittee shall meet in public session after notice in the Federal Register, but may close certain portions of these meetings related to personnel and review of preliminary State audit reports at the call of the Chairperson or a majority of its members when there is business to be conducted. A majority of members of the Appraisal Subcommittee shall constitute a quorum but 2 or more members may hold hearings. Decisions of the Appraisal Subcommittee shall be made by the vote of a majority of its members. The subject matter discussed in any closed or executive session shall be described in the Federal Register notice of the meeting.

### § 1105. Officers and staff

*[12 U.S.C. 3334]*

The Chairperson of the Appraisal Subcommittee shall appoint such officers and staff as may be necessary to carry out the functions of this title consistent with the appointment and compensation practices of the Council.

### § 1106. Powers of Appraisal Subcommittee

*[12 U.S.C. 3335]*

The Appraisal Subcommittee may, for the purpose of carrying out this title, establish advisory committees, hold hearings, prescribe regulations in accordance with chapter 5 of title 5, *United States Code* (commonly referred to as the Administrative Procedures Act) after notice and opportunity for comment, sit and act at times and places, take testimony, receive evidence, provide information, and perform research, as the Appraisal Subcommittee considers appropriate. Any regulations prescribed by the Appraisal Subcommittee shall (unless otherwise provided in this title) be limited to the following functions: temporary practice, national registry, information sharing, and enforcement. For purposes of prescribing regulations, the Appraisal Subcommittee shall establish an advisory committee of industry participants, including appraisers, lenders, consumer advocates, real estate agents, and government agencies, and hold meetings as necessary to support the development of regulations.

### § 1107. Procedures for establishing appraisal standards and requiring the use of certified and licensed appraisers

*[12 U.S.C. 3336]*

Appraisal standards and requirements for using State certified and licensed appraisers in federally related transactions pursuant to this title shall be prescribed in accordance with procedures set forth in section 553 of title 5, United States Code, including the publication of notice and receipt of written comments or the holding of public hearings with respect to any standards or requirements proposed to be established.

### § 1108. Startup funding

*[12 U.S.C. 3337]*

(a) *In general*. For purposes of this title, the Secretary of the Treasury shall pay to the Appraisal Subcommittee a one-time payment of $ 5,000,000 on the date of the enactment of this Act [enacted Aug. 9, 1989]. Thereafter, expenses of the subcommittee shall be funded through the collection of registry fees from certain certified and licensed appraisers pursuant to section 1109 [*12 USCS § 3338*] or, if required, pursuant to section 1122(b) of this title [*12 USCS § 3351(b)*].

(b) *Additional funds*. Except as provided in section 1122(c) of this title [*12 USCS § 3351(b)*], funds in addition to the funds provided under subsection (a) may be made available to the Appraisal Subcommittee only if authorized and appropriated by law.

(c) *Repayment of Treasury loan*. Not later than



Q.83

September 30, 1998, the Appraisal Subcommittee shall repay to the Secretary of the Treasury the unpaid portion of the $5,000,000 paid to the Appraisal Subcommittee pursuant to this section.

## § 1109. Roster of State certified or licensed appraisers; authority to collect and transmit fees

*[12 U.S.C. 3338]*

(a) *In general*. Each State with an appraiser certifying and licensing agency whose certifications and licenses comply with this title, shall—

(1) transmit to the Appraisal Subcommittee, no less than annually, a roster listing individuals who have received a State certification or license in accordance with this title;

(2) transmit reports on the issuance and renewal of licenses and certifications, sanctions, disciplinary actions, license and certification revocations, and license and certification suspensions on a timely basis to the national registry of the Appraisal Subcommittee;

(3) transmit reports on a timely basis of supervisory activities involving appraisal management companies or other third-party providers of appraisals and appraisal management services, including investigations initiated and disciplinary actions taken; and

(4) collect—

(A) from such individuals who perform or seek to perform appraisals in federally related transactions, an annual registry fee of not more than $40, such fees to be transmitted by the State agencies to the Council on an annual basis; and

(B) from an appraisal management company that either has registered with a State appraiser certifying and licensing agency in accordance with this title or operates as a subsidiary of a federally regulated financial institution, an annual registry fee of—

(i) in the case of such a company that has been in existence for more than a year, $25 multiplied by the number of appraisers working for or contracting with such company in such State during the previous year, but where such $25 amount may be adjusted, up to a maximum of $50, at the discretion of the Appraisal Subcommittee, if necessary to carry out the Subcommittee's functions under this title; and

(ii) in the case of such a company that has not been in existence for more than a year, $25 multiplied by an appropriate number to be determined by the Appraisal Subcommittee, and where such number will be used for determining the fee of all such companies that were not in

existence for more than a year, but where such $25 amount may be adjusted, up to a maximum of $50, at the discretion of the Appraisal Subcommittee, if necessary to carry out the Subcommittee's functions under this title.

Subject to the approval of the Council, the Appraisal Subcommittee may adjust the dollar amount of registry fees under paragraph (4)(A), up to a maximum of $80 per annum, as necessary to carry out its functions under this title. The Appraisal Subcommittee shall consider at least once every 5 years whether to adjust the dollar amount of the registry fees to account for inflation. In implementing any change in registry fees, the Appraisal Subcommittee shall provide flexibility to the States for multi-year certifications and licenses already in place, as well as a transition period to implement the changes in registry fees. In establishing the amount of the annual registry fee for an appraisal management company, the Appraisal Subcommittee shall have the discretion to impose a minimum annual registry fee for an appraisal management company to protect against the under reporting of the number of appraisers working for or contracted by the appraisal management company.

(b) *Use of amounts appropriated or collected*. Amounts appropriated for or collected by the Appraisal Subcommittee under this section shall be used—

(1) to maintain a registry of individuals who are qualified and eligible to perform appraisals in connection with federally related transactions;

(2) to support its activities under this title;

(3) to reimburse the general fund of the Treasury for amounts appropriated to and expended by the Appraisal Subcommittee during the 24-month startup period following the date of the enactment of this title [enacted Aug. 9, 1989];

(4) to make grants in such amounts as it deems appropriate to the Appraisal Foundation, to help defray those costs of the foundation relating to the activities of its Appraisal Standards and Appraiser Qualification Boards;

(5) to make grants to State appraiser certifying and licensing agencies, in accordance with policies to be developed by the Appraisal Subcommittee, to support the efforts of such agencies to comply with this title, including—

(A) the complaint process, complaint investigations, and appraiser enforcement activities of such agencies; and

(B) the submission of data on State licensed and certified appraisers and appraisal management companies to the National appraisal registry, including information affirming that the appraiser or appraisal management company meets the required qualification criteria and formal and informal disciplinary actions; and

(6) to report to all State appraiser certifying and licensing agencies when a license or certification is surrendered, revoked, or suspended.

### § 1110. Functions of Federal financial institutions regulatory agencies relating to appraisal standards

*[12 U.S.C. 3339]*

Each Federal financial institutions regulatory agency and the Resolution Trust Corporation shall prescribe appropriate standards for the performance of real estate appraisals in connection with federally related transactions under the jurisdiction of each such agency or instrumentality. These rules shall require, at a minimum—

(1) that real estate appraisals be performed in accordance with generally accepted appraisal standards as evidenced by the appraisal standards promulgated by the Appraisal Standards Board of the Appraisal Foundation;

(2) that such appraisals shall be written appraisals. Each such agency or instrumentality may require compliance with additional standards if it makes a determination in writing that such additional standards are required in order to properly carry out its statutory responsibilities; and

(3) that such appraisals shall be subject to appropriate review for compliance with the Uniform Standards of Professional Appraisal Practice.

### § 1111. Time for proposal and adoption of standards

*[12 U.S.C. 3340]*

Appraisal standards established under this title shall be proposed not later than 6 months and shall be adopted in final form and become effective not later than 12 months after the date of the enactment of this Act [enacted Aug. 9, 1989].

### § 1112. Functions of Federal financial institutions regulatory agencies relating to appraiser qualifications

*[12 U.S.C. 3341]*

(a) *In general*. Each Federal financial institutions regulatory agency and the Resolution Trust Corporation shall prescribe, in accordance with sections 1113 and 1114 of this title [*12 USCS §§ 3342, 3343*], which categories of federally related transactions should be appraised by a State certified appraiser and which by a State licensed appraiser under this title.

(b) *Threshold level*. Each Federal financial institutions regulatory agency and the Resolution Trust Corporation may establish a threshold level at or below which a certified or licensed appraiser is not required to perform appraisals in connection with federally related transactions, if such agency determines in writing that such threshold level does not represent a threat to the safety and soundness of financial institutions and receives concurrence from the Bureau of Consumer Financial Protection that such threshold level provides reasonable protection for consumers who purchase 1–4 unit single-family residences.

(c) *GAO study of appraisals in connection with real estate related financial transactions below the threshold level*.

(1) *GAO studies*. The Comptroller General of the United States may conduct, under such conditions as the Comptroller General determines appropriate, studies on the adequacy and quality of appraisals or evaluations conducted in connection with real estate related financial transactions below the threshold level established under subsection (b), taking into account—

(A) the cost to any financial institution involved in any such transaction;

(B) the possibility of losses to the Deposit Insurance Fund or the National Credit Union Share Insurance Fund;

(C) the cost to any customer involved in any such transaction; and

(D) the effect on low-income housing.

(2) *Reports to Congress and the appropriate Federal financial institutions regulatory agencies*. Upon completing each of the studies referred to in paragraph (1), the Comptroller General shall submit a report on the Comptroller General's findings and conclusions with respect to such study to the Federal financial institutions regulatory agencies, the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate, together with such recommendations for legislative or administrative action as the Comptroller General determines to be appropriate.

## § 1113. Transactions requiring the services of a State certified appraiser

*[12 U.S.C. 3342]*

In determining whether an appraisal in connection with a federally related transaction shall be performed by a State certified appraiser, an agency or instrumentality under this title shall consider whether transactions, either individually or collectively, are of sufficient financial or public policy importance to the United States that an individual who performs an appraisal in connection with such transactions should be a State certified appraiser, except that—

(1) a State certified appraiser shall be required for all federally related transactions having a value of $1,000,000 or more; and

(2) 1-to-4 unit, single family residential appraisals may be performed by State licensed appraisers unless the size and complexity requires a State certified appraiser, where a complex 1-to-4 unit single family residential appraisal means an appraisal for which the property to be appraised, the form of ownership, the property characteristics, or the market conditions are atypical.

## § 1114. Transactions requiring the services of a State licensed appraiser

*[12 U.S.C. 3343]*

All federally related transactions not requiring the services of a State certified appraiser shall be performed by either a State certified or licensed appraiser.

## § 1115. Time for proposal and adoption of rules

*[12 U.S.C. 3344]*

As appropriate, rules issued under sections 1113 and 1114 [*12 USCS §§ 3342 and 3343*] shall be proposed not later than 6 months and shall be effective upon adoption in final form not later than 12 months after the date of the enactment of this Act [enacted Aug. 9, 1989].

## § 1116. Certification and licensing requirements

*[12 U.S.C. 3345]*

(a) *In general*. For purposes of this title, the term "State certified real estate appraiser" means any individual who has satisfied the requirements for State certification in a State or territory whose criteria for certification as a real estate appraiser currently meets the minimum criteria for certification issued by the Appraiser Qualification Board of the Appraisal Foundation.

(b) *Restriction*. No individual shall be a State certified real estate appraiser under this section unless such individual has achieved a passing grade upon a suitable examination administered by a State or territory that is consistent with and equivalent to the Uniform State Certification Examination issued or endorsed by the Appraiser Qualification Board of the Appraisal Foundation.

(c) *"State licensed appraiser" defined*. As used in this section, the term "State licensed appraiser" means an individual who has satisfied the

requirements for State licensing in a State or territory whose criteria for the licensing of a real estate appraiser currently meet or exceed the minimum criteria issued by the Appraisal Qualifications Board of The Appraisal Foundation for the licensing of real estate appraisers.

(d) *Additional qualification criteria*. Nothing in this title shall be construed to prevent any Federal agency or instrumentality under this title from establishing such additional qualification criteria as may be necessary or appropriate to carry out the statutory responsibilities of such department, agency, or instrumentality.

(e) *Minimum Qualification Requirements*. Any requirements established for individuals in the position of 'Trainee Appraiser' and 'Supervisory Appraiser' shall meet or exceed the minimum qualification requirements of the Appraiser Qualifications Board of The Appraisal Foundation. The Appraisal Subcommittee shall have the authority to enforce these requirements.

## § 1117. Establishment of State appraiser certifying and licensing agencies

*[12 U.S.C. 3346]*

To assure the availability of State certified and licensed appraisers for the performance in a State of appraisals in federally related transactions and to assure effective supervision of the activities of certified and licensed appraisers, a State may establish a State appraiser certifying and licensing agency. The duties of such agency may additionally include the registration and supervision of appraisal management companies and the addition of information about the appraisal management company to the national registry.

## § 1118. Monitoring of State appraiser certifying and licensing agencies

*[12 U.S.C. 3347]*

(a) *In general*. The Appraisal Subcommittee shall monitor each State appraiser certifying and licensing agency for the purposes of determining whether such agency—

(1) has policies, practices, funding, staffing, and procedures that are consistent with this title;

(2) processes complaints and completes investigations in a reasonable time period;

(3) appropriately disciplines sanctioned appraisers and appraisal management companies;

(4) maintains an effective regulatory program; and

(5) reports complaints and disciplinary actions on a timely basis to the national registries on appraisers and appraisal management companies maintained by the Appraisal Subcommittee.

The Appraisal Subcommittee shall have the authority to remove a State licensed or certified appraiser or a registered appraisal management company from a national registry on an interim basis, not to exceed 90 days, pending State agency action on licensing, certification, registration, and disciplinary proceedings. The Appraisal Subcommittee and all agencies, instrumentalities, and Federally recognized entities under this title shall not recognize appraiser certifications and licenses from States whose appraisal policies, practices, funding, staffing, or procedures are found to be inconsistent with this title. The Appraisal Subcommittee shall have the authority to impose sanctions, as described in this section, against a State agency that fails to have an effective appraiser regulatory program. In determining whether such a program is effective, the Appraisal Subcommittee shall include an analysis of the licensing and certification of appraisers, the registration of appraisal management companies, the issuance of temporary licenses and certifications for appraisers, the receiving and tracking of submitted complaints against appraisers and appraisal management companies, the investigation of complaints, and enforcement actions against appraisers and appraisal management companies. The Appraisal Subcommittee shall have the authority to impose interim actions and suspensions against a State agency as an alternative to, or in advance of the derecognition of a State agency.

(b) *Disapproval by Appraisal Subcommittee*. The Federal financial institutions regulatory agencies, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Resolution Trust Corporation shall accept certifications and licenses awarded by a State appraiser certifying the licensing agency unless the Appraisal Subcommittee issues a written finding that—


Q.87

(1) the State agency fails to recognize and enforce the standards, requirements, and procedures prescribed pursuant to this title;

(2) the State agency is not granted authority or sufficient funding by the State which is adequate to permit the agency to carry out its functions under this title; or

(3) decisions concerning appraisal standards, appraiser qualifications and supervision of appraiser practices are not made in a manner that carries out the purposes of this title.

(c) *Rejection of State certifications and licenses.*

(1) *Opportunity to be heard or correct conditions.* Before refusing to recognize a State's appraiser certifications or licenses, the Appraisal Subcommittee shall provide that State's certifying and licensing agency a written notice of its intention not to recognize the State's certified or licensed appraisers and ample opportunity to provide rebuttal information or to correct the conditions causing the refusal.

(2) *Adoption of procedures.* The Appraisal Subcommittee shall adopt written procedures for taking actions described in this section.

(3) *Judicial review.* A decision of the subcommittee under this section shall be subject to judicial review.

## § 1119. Recognition of State certified and licensed appraisers for purposes of this title

*[12 U.S.C. 3348]*

(a) *Effective date for use of certified or licensed appraisers only.*

(1) *In general.* Not later than December 31, 1992, all appraisals performed in connection with federally related transactions shall be performed only by individuals certified or licensed in accordance with the requirements of this title.

(2) *Extension of effective date.* Subject to the approval of the Council, the Appraisal Subcommittee may extend, until December 31, 1991, the effective date for the use of certified or licensed appraisers if it makes a written finding that a State has made substantial progress in establishing a State certification and licensing system that appears to conform to the provisions of this title.

(b) *Temporary waiver of appraiser certification or licensing requirements for State having scarcity of qualified appraisers.* Subject to the approval of the Council, the Appraisal Subcommittee may waive any requirement relating to certification or licensing of a person to perform appraisals under this title if the Appraisal Subcommittee or a State agency whose certifications and licenses are in compliance with this title, makes a written determination that there is a scarcity of certified or licensed appraisers to perform appraisals in connection with federally related transactions in a State, or in any geographical political subdivision of a State, leading to significant delays in the performance of such appraisals. The waiver terminates when the Appraisal Subcommittee determines that such significant delays have been eliminated.

(c) *Reports to State certifying and licensing agencies.* The Appraisal Subcommittee, any other Federal agency or instrumentality, or any federally recognized entity shall report any action of a State certified or licensed appraiser that is contrary to the purposes of this title to the appropriate State agency for a disposition of the subject of the referral. The State agency shall provide the Appraisal Subcommittee or the other Federal agency or instrumentality with a report on its disposition of the matter referred. Subsequent to such disposition, the subcommittee or the agency or instrumentality may take such further action, pursuant to written procedures, it deems necessary to carry out the purposes of this title.

## § 1120. Violations in obtaining and performing appraisals in federally related transactions

*[12 U.S.C. 3349]*

(a) *Violations.* Except as authorized by the Appraisal Subcommittee in exercising its waiver authority pursuant to section 1119(b) [*12 USCS § 3348(b)*], it shall be a violation of this section—

(1) for a financial institution to seek, obtain, or give money or any other thing of value in exchange for the performance of an appraisal by a person who the institution knows is not a State certified or licensed appraiser in connection with a federally related transaction; and

(2) for the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Resolution Trust Corporation to knowingly contract for the performance of any appraisal by a person who

is not a State certified or licensed appraiser in connection with a real estate related financial transaction defined in section 1121(5) [12 USCS § 3350(5)] to which such association or corporation is a party.

(b) *Penalties*. A financial institution that violates subsection (a)(1) shall be subject to civil penalties under section 8(i)(2) of the Federal Deposit Insurance Act or section 206(k)(2) of the Federal Credit Union Act [12 USCS § 1818(i)(2) or 1786(k)(2)], as appropriate.

(c) *Proceeding*. A proceeding with respect to a violation of this section shall be an administrative proceeding which may be conducted by a Federal financial institutions regulatory agency in accordance with the procedures set forth in subchapter II of chapter 5 of title 5, United States Code [5 USCS §§ 551 et seq.].

## § 1121. Definitions

*[12 U.S.C. 3350]*

For purposes of this title:

(1) *State appraiser certifying and licensing agency*. The term "State appraiser certifying and licensing agency" means a State agency established in compliance with this title.

(2) *Appraisal Subcommittee; subcommittee*. The terms "Appraisal Subcommittee" and "subcommittee" mean the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

(3) *Council*. The term "Council" means the Federal Financial Institutions Examination Council.

(4) *Federally related transaction*. The term "federally related transaction" means any real estate-related financial transaction which—

(A) a federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates; and

(B) requires the services of an appraiser.

(5) *Real estate related financial transaction*. The term "real estate-related financial transaction" means any transaction involving—

(A) the sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof;

(B) the refinancing of real property or interests in real property; and

(C) the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

(6) *Federal financial institutions regulatory agencies*. The term "Federal financial institutions regulatory agencies" means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration.

(7) *Financial institution*. The term "financial institution" means an insured depository institution as defined in section 3 of the Federal Deposit Insurance Act [12 USCS § 1813] or an insured credit union as defined in section 101 of the Federal Credit Union Act [*12 USCS § 1752*].

(8) *Chairperson*. The term "Chairperson" means the Chairperson of the Appraisal Subcommittee selected by the Council.

(9) *Foundation*. The terms "Appraisal Foundation" and "Foundation" means [mean] the Appraisal Foundation established on November 30, 1987, as a not for profit corporation under the laws of Illinois.

(10) *Written appraisal*. The term "written appraisal" means a written statement used in connection with a federally related transaction that is independently and impartially prepared by a licensed or certified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by presentation and analysis of relevant market information.

(11) *Appraisal Management Company*. The term 'appraisal management company' means, in connection with valuing properties collateralizing mortgage loans or mortgages incorporated into a securitization, any external third party authorized either by a creditor of a consumer credit transaction secured by a consumer's principal dwelling or by an underwriter of or other principal in the secondary mortgage markets, that oversees a network or panel of more than 15 certified or licensed appraisers in a State or 25 or more nationally within a given year—

(A) to recruit, select, and retain appraisers;



Q.89

(B) to contract with licensed and certified appraisers to perform appraisal assignments;

(C) to manage the process of having an appraisal performed, including providing administrative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and underwriters, collecting fees from creditors

and underwriters for services provided, and reimbursing appraisers for services performed; or

(D) to review and verify the work of appraisers.

## § 1122. Miscellaneous provisions

*[12 U.S.C. 3351]*

(a) *Temporary practice.*

(1) *In general.* A State appraiser certifying or licensing agency shall recognize on a temporary basis the certification or license of an appraiser issued by another State if—

(A) the property to be appraised is part of a federally related transaction,

(B) the appraiser's business is of a temporary nature, and

(C) the appraiser registers with the appraiser certifying or licensing agency in the State of temporary practice.

(2) *Fees for temporary practice.* A State appraiser certifying or licensing agency shall not impose excessive fees or burdensome requirements, as determined by the Appraisal Subcommittee, for temporary practice under this subsection.

(b) *Reciprocity.* Notwithstanding any other provisions of this title, a federally related transaction shall not be appraised by a certified or licensed appraiser unless the State appraiser certifying or licensing agency of the State certifying or licensing such appraiser has in place a policy of issuing a reciprocal certification or license for an individual from another State when—

(1) the appraiser licensing and certification program of such other State is in compliance with the provisions of this title; and

(2) the appraiser holds a valid certification from a State whose requirements for certification or licensing meet or exceed the licensure standards established by the State where an individual seeks appraisal licensure.

(c) *Supplemental funding.* Funds available to the Federal financial institutions regulatory agencies may be made available to the Federal Financial Institutions Examination Council to support the Council's functions under this title.

(d) *Prohibition against discrimination.* Criteria established by the Federal financial institutions regulatory agencies, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Resolution Trust Corporation for appraiser qualifications in addition to State certification or licensing may include education achieved, experience, sample appraisals, and references from prior clients. Membership in a nationally recognized professional appraisal organization may be a criteria considered, though lack of membership therein shall not be the sole bar against consideration for an assignment under these criteria.

(e) *Other requirements.* A corporation, partnership, or other business entity may provide appraisal services in connection with federally related transactions if such appraisal is prepared by individuals certified or licensed in accordance with the requirements of this title. An individual who is not a State certified or licensed appraiser may assist in the preparation of an appraisal if—

(1) the assistant is under the direct supervision of a licensed or certified individual; and

(2) the final appraisal document is approved and signed by an individual who is certified or licensed.

(f ) *Studies.*

(1) *Study.* The Appraisal Subcommittee shall—

(A) conduct a study to determine whether real estate sales and financing information and data that is available to real estate appraisers in the States is sufficient to permit appraisers to properly estimate the values of properties in connection with federally related transactions; and

(B) study the feasibility and desirability of extending the provisions of this title to the function of personal property appraising and to personal property appraisers in connection with Federal financial and public policy interests.

(2) *Report.* The Appraisal Subcommittee shall—
(A) report its findings to the Congress with

respect to the study described in paragraph (1)(A) no later than 12 months after the date of the enactment of this title [enacted Aug. 9, 1989], and (B) report its findings with respect to the study described in paragraph (1)(B) to Congress not later than 18 months after the date of the enactment of this title [enacted Aug. 9, 1989].

(g) *Appraiser Independence Monitoring*. The Appraisal Subcommittee shall monitor each State appraiser certifying and licensing agency for the purpose of determining whether such agency's policies, practices, and procedures are consistent with the purposes of maintaining appraiser independence and whether such State has adopted and maintains effective laws, regulations, and policies aimed at maintaining appraiser independence.

(h) *Approved Education*. The Appraisal Subcommittee shall encourage the States to accept courses approved by the Appraiser Qualification Board's Course Approval Program.

(i) *Appraisal Complaint National Hotline*. If, 6 months after the date of the enactment of this subsection, the Appraisal Subcommittee determines that no national hotline exists to receive complaints of non-compliance with appraisal independence standards and Uniform Standards of Professional Appraisal Practice, including complaints from appraisers, individuals, or other entities concerning the improper influencing or attempted improper influencing of appraisers or the appraisal process, the Appraisal Subcommittee shall establish and operate such a national hotline, which shall include a toll-free telephone number and an email address. If the Appraisal Subcommittee operates such a national hotline, the Appraisal Subcommittee shall refer complaints for further action to appropriate governmental bodies, including a State appraiser certifying and licensing agency, a financial institution regulator, or other appropriate legal authorities. For complaints referred to State appraiser certifying and licensing agencies or to Federal regulators, the Appraisal Subcommittee shall have the authority to follow up such complaint referrals in order to determine the status of the resolution of the complaint.

## § 1123. Emergency exceptions for disaster areas

*[12 U.S.C. 3352]*

(a) *In general*. Each Federal financial institutions regulatory agency may, by regulation or order, make exceptions to this title, and to standards prescribed pursuant to this title, for transactions involving institutions for which the agency is the primary Federal regulator with respect to real property located within a disaster area if the agency—

(1) makes the exception not later than 30 months after the date on which the President determines, pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act [*42 USCS § 5170*], that a major disaster exists in the area; and

(2) determines that the exception—

(A) would facilitate recovery from the major disaster; and

(B) is consistent with safety and soundness.

(b) *3-year limit on exceptions*. Any exception made under this section shall expire not later than 3 years after the date of the determination referred to in subsection (a)(1).

(c) *Publication required*. Any Federal financial institutions regulatory agency shall publish in the Federal Register a statement that—

(1) describes any exception made under this section; and

(2) explains how the exception—

(A) would facilitate recovery from the major disaster; and

(B) is consistent with safety and soundness.

(d) *"Disaster area" defined*. For purposes of this section, the term "disaster area" means an area in which the President, pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act [*42 USCS § 5170*], has determined that a major disaster exists.

## § 1124. Appraisal Management Company Minimum Requirements

*[12 U.S.C. 3353]*

*(a) In general*. The Board of Governors of the Federal Reserve System, the Comptroller of



Q.91

the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration Board, the Federal Housing Finance Agency, and the Bureau of Consumer Financial Protection shall jointly, by rule, establish minimum requirements to be applied by a State in the registration of appraisal management companies. Such requirements shall include a requirement that such companies—

(1) register with and be subject to supervision by a State appraiser certifying and licensing agency in each State in which such company operates;

(2) verify that only licensed or certified appraisers are used for federally related transactions;

(3) require that appraisals coordinated by an appraisal management company comply with the Uniform Standards of Professional Appraisal Practice; and

(4) require that appraisals are conducted independently and free from inappropriate influence and coercion pursuant to the appraisal independence standards established under section 129E of the Truth in Lending Act.

(b) *Relation to State Law*. Nothing in this section shall be construed to prevent States from establishing requirements in addition to any rules promulgated under subsection (a).

(c) *Federally Regulated Financial Institutions*. The requirements of subsection (a) shall apply to an appraisal management company that is a subsidiary owned and controlled by a financial institution and regulated by a Federal financial institution regulatory agency. An appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency shall not be required to register with a State.

(d) *Registration Limitations*. An appraisal management company shall not be registered by a State or included on the national registry if such company, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State. Additionally, each person that owns more than 10 percent of an appraisal management company shall be of good moral character, as determined by the State appraiser certifying and licensing agency, and shall submit to a background investigation carried out by the State appraiser certifying and licensing agency.

(e) *Reporting*. The Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration Board, the Federal Housing Finance Agency, and the Bureau of Consumer Financial Protection shall jointly promulgate regulations for the reporting of the activities of appraisal management companies to the Appraisal Subcommittee in determining the payment of the annual registry fee.

(f) *Effective Date*.

(1) *In general*. No appraisal management company may perform services related to a federally related transaction in a State after the date that is 36 months after the date on which the regulations required to be prescribed under subsection (a) are prescribed in final form unless such company is registered with such State or subject to oversight by a Federal financial institutions regulatory agency.

(2) *Extension of Effective Date*. Subject to the approval of the Council, the Appraisal Subcommittee may extend by an additional 12 months the requirements for the registration and supervision of appraisal management companies if it makes a written finding that a State has made substantial progress in establishing a State appraisal management company registration and supervision system that appears to conform with the provisions of this title.

## § 1125. Automated Valuation Models Used to Estimate Collateral Value for Mortgage Lending Purposes.

*[12 U.S.C. 3354]*

(a) *In general*. Automated valuation models shall adhere to quality control standards designed to—

(1) ensure a high level of confidence in the estimates produced by automated valuation models;

(2) protect against the manipulation of data;

(3) seek to avoid conflicts of interest;

(4) require random sample testing and reviews; and

(5) account for any other such factor that the agencies listed in subsection (b) determine to be appropriate.

(b) *Adoption of Regulations*. The Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration Board, the Federal Housing Finance Agency, and the Bureau of Consumer Financial Protection, in consultation with the staff of the Appraisal Subcommittee and the Appraisal Standards Board of the Appraisal Foundation, shall promulgate regulations to implement the quality control standards required under this section.

(c) *Enforcement*. Compliance with regulations issued under this subsection shall be enforced by—

(1) with respect to a financial institution, or subsidiary owned and controlled by a financial institution and regulated by a Federal financial institution regulatory agency, the Federal financial institution regulatory agency that acts as the primary Federal supervisor of such financial institution or subsidiary; and

(2) with respect to other participants in the market for appraisals of 1-to-4 unit single family residential real estate, the Federal Trade Commission, the Bureau of Consumer Financial Protection, and a State attorney general.

(d) *Automated Valuation Model Defined*. For purposes of this section, the term 'automated valuation model' means any computerized model used by mortgage originators and secondary market issuers to determine the collateral worth of a mortgage secured by a consumer's principal dwelling.

## § 1126. Broker Price Opinions

*[12 U.S.C. 3355]*

(a) *General Prohibition*. In conjunction with the purchase of a consumer's principal dwelling, broker price opinions may not be used as the primary basis to determine the value of a piece of property for the purpose of a loan origination of a residential mortgage loan secured by such piece of property.

(b) *Broker Price Opinion Defined*. For purposes of this section, the term 'broker price opinion' means an estimate prepared by a real estate broker, agent, or sales person that details the probable selling price of a particular piece of real estate property and provides a varying level of detail about the property's condition, market, and neighborhood, and information on comparable sales, but does not include an automated valuation model, as defined in section 1125(c).

## § 1127. Exemption From Appraisals of Real Estate Located in Rural Areas

*[12 U.S.C. 3356]*

(a) *Definitions*. In this section—

(1) the term 'mortgage originator' has the meaning given the term in section 103 of the Truth in Lending Act (15 U.S.C. 1602); and

(2) the term 'transaction value' means the amount of a loan or extension of credit, including a loan or extension of credit that is part of a pool of loans or extensions of credit.

(b) *Appraisal Not Required*. Except as provided in subsection (d), notwithstanding any other provision of law, an appraisal in connection with a federally related transaction involving real property or an interest in real property is not required if—

(1) the real property or interest in real property is located in a rural area, as described in section 1026.35(b)(2)(iv)(A) of title 12, Code of Federal Regulations;

(2) not later than 3 days after the date on which the Closing Disclosure Form, made in accordance with the final rule of the Bureau of Consumer Financial Protection entitled 'Integrated Mortgage Disclosures Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z)' (78 Fed. Reg. 79730 (December 31, 2013)), relating to the federally related transaction is given to the consumer, the mortgage originator or its agent, directly or indirectly—

(A) has contacted not fewer than 3 State certified appraisers or State licensed appraisers, as applicable, on the mortgage originator's approved appraiser list in the market area in accordance with part 226 of title 12, Code of Federal Regulations; and

(B) has documented that no State certified appraiser or State licensed appraiser, as applicable, was available within 5 business days beyond customary and reasonable fee and timeliness standards for comparable



Q.93

appraisal assignments, as documented by the mortgage originator or its agent;

(3) the transaction value is less than $400,000; and

(4) the mortgage originator is subject to oversight by a Federal financial institutions regulatory agency.

(c) *Sale, Assignment, or Transfer*. A mortgage originator that makes a loan without an appraisal under the terms of subsection (b) shall not sell, assign, or otherwise transfer legal title to the loan unless—

(1) the loan is sold, assigned, or otherwise transferred to another person by reason of the bankruptcy or failure of the mortgage originator;

(2) the loan is sold, assigned, or otherwise transferred to another person regulated by a Federal financial institutions regulatory agency, so long as the loan is retained in portfolio by the person;

(3) the sale, assignment, or transfer is pursuant to a merger of the mortgage originator with another person or the acquisition of the mortgage originator by another person or of another person by the mortgage originator; or

(4) the sale, loan, or transfer is to a wholly owned subsidiary of the mortgage originator, provided that, after the sale, assignment, or transfer, the loan is considered to be an asset of the mortgage originator for regulatory accounting purposes.

(d) *Exception*. Subsection (b) shall not apply if—

(1) a Federal financial institutions regulatory agency requires an appraisal under section 225.63(c), 323.3(c), 34.43(c), or 722.3(e) of title 12, Code of Federal Regulations; or

(2) the loan is a high-cost mortgage, as defined in section 103 of the Truth in Lending Act (15 U.S.C. 1602).

(e) *Anti-Evasion*. Each Federal financial institutions regulatory agency shall ensure that any mortgage originator that the Federal financial institutions regulatory agency oversees that makes a significant amount of loans under subsection (b) is complying with the requirements of subsection (b)(2) with respect to each loan.

## Department of Housing and Urban Development Reform Act of 1989

### § 142 FHA Operations

*[12 U.S.C. § 1708(g)]*

(a) Appraisal standards.

(1) The Secretary shall prescribe standards for the appraisal of all property to be insured by the Federal Housing Administration. Such appraisals shall be performed in accordance with uniform standards, by individuals who have demonstrated competence and whose professional conduct is subject to effective supervision. These standards shall require at a minimum—

(A) that the appraisals of properties to be insured by the Federal Housing Administration shall be performed in accordance with generally accepted appraisal standards promulgated by the Appraisal Foundation a not-for-profit corporation established on November 30, 1987 under the laws of Illinois; and

(B) that each appraisal is a written statement used in connection with a real estate transaction that is independently and impartially prepared by a licensed or certified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by presentation and analysis of relevant market information.

(2) The Appraisal Subcommittee of the Federal Financial Institutions Examination Council shall include the Secretary or his designee.

# Appraisal Subcommittee

Federal Financial Institutions Examination Council

POLICY STATEMENTS

(Revised – March 2018)

Requirements and Guidance to

State Appraiser Certifying and Licensing Agencies

For Compliance with Title XI

# Contents


Introduction and Purpose 90

**PART A: APPRAISER PROGRAM 91**

*POLICY STATEMENT 1 91*
Statutes, Regulations, Policies and Procedures Governing State Appraiser Programs 91
A. State Regulatory Structure 91
B. Funding and Staffing 91
C. Minimum Criteria 91
D. Federally Recognized Appraiser Classifications 91
E. Non-federally Recognized Credentials 92
F. Appraisal Standards 92
G. Exemptions 92
H. ASC Staff Attendance at State Board Meetings 93
I. Summary of Requirements 93

*POLICY STATEMENT 2 94*
Temporary Practice 94
A. Requirement for Temporary Practice 94
B. Excessive Fees or Burdensome Requirements 94
C. Summary of Requirements 95

*POLICY STATEMENT 3 96*
National Registry of Appraisers (Appraiser Registry) 96
A. Requirements for the Appraiser Registry 96
B. Registry Fee and Invoicing Policies 96
C. Access to Appraiser Registry Data 96
D. Information Sharing 97
E. Summary of Requirements 97

*POLICY STATEMENT 4 99*
Application Process 99
A. Processing of Applications 99
B. Qualifying Education for Initial or Upgrade Applications 99
C. Continuing Education for Reinstatement and Renewal Applications 99
D. Experience for Initial or Upgrade Applications 101
E. Examination 101
F. Summary of Requirements 101

*POLICY STATEMENT 5 104*
Reciprocity 104
A. Reciprocity Policy 104
B. Application of Reciprocity Policy 104
C. Appraiser Compliance Requirement 105
D. Well-Documented Application Files 105
E. Summary of Requirements 105

*POLICY STATEMENT 6 106*
Education 106
A. Course Approval 106
B. Distance Education 106
C. Summary of Requirements 106

*POLICY STATEMENT 7 107*
State Agency Enforcement 107
A. State Agency Regulatory Program 107
B. Enforcement Process 107
C. Summary of Requirements 108

**PART B: AMC PROGRAM 110**

*POLICY STATEMENT 8 110*
Statutes, Regulations, Policies and Procedures Governing State AMC Programs 110
A. Participating States and ASC Oversight 110
B. Relation to State Law 110
C. Funding and Staffing 110
D. Minimum Requirements for Registration and Supervision of AMCs as Established by the AMC Rule 110
E. Summary of Requirements 112

*POLICY STATEMENT 9 113*
National Registry of AMCs (AMC Registry) 113
A. Requirements for the AMC Registry 113
B. Registry Fee and Invoicing Policies 113
C. Reporting Requirements 113
D. Access to AMC Registry Data 113
E. Summary of Requirements 113

*POLICY STATEMENT 10 115*
State Agency Enforcement 115
A. State Agency Regulatory Program 115
B. Enforcement Process 115
C. Summary of Requirements 116

*POLICY STATEMENT 11 117*
Statutory Implementation Period 117

**PART C: INTERIM SANCTIONS 118**

*POLICY STATEMENT 12 118*
Interim Sanctions 118
A. Authority 118
B. Opportunity to be Heard or Correct Conditions 118
C. Procedures 118

**APPENDICES 120**

D. Appendix A – Compliance Review Process 120
E. Appendix B – Glossary of Terms 123




Q.97

## Introduction and Purpose

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as amended (Title XI) established the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC).[1] The purpose of Title XI is to provide protection of Federal financial and public policy interests by upholding Title XI requirements for appraisals performed for federally related transactions. Specifically, those appraisals shall be performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision.

Pursuant to Title XI, one of the ASC's core functions is to monitor the requirements established by the States[2] for certification and licensing of appraisers qualified to perform appraisals in connection with federally related transactions.[3] Title XI as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act)[4] 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 companies[5] (AMCs).[6]

The ASC performs periodic Compliance Reviews[7] 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.[8]

The ASC is issuing these revised Policy Statements[9] in three parts to provide States with the necessary information to maintain their Appraiser Programs and AMC Programs in compliance with Title XI:

Part A, *Appraiser Program* – Policy Statements 1 through 7 correspond with the categories that are: (a) evaluated during the Appraiser Program Compliance Review; and (b) included in the *ASC's Compliance Review Report of the Appraiser Program*.

Part B, *AMC Program* – Policy Statements 8 through 10 correspond with the categories that are: (a) evaluated during the AMC Program Compliance Review; and (b) included in the *ASC's Compliance Review Report of the AMC Program*.

Part C, *Interim Sanctions* – Policy Statement 12 sets forth required procedures in the event that interim sanctions are imposed against a State by the ASC for non-compliance in either the Appraiser Program or the AMC Program.

---

[1] he ASC Board is made up of seven members. Five members are designated by the heads of the FFIEC agencies (Board of Governors of the Federal Reserve System, Bureau of Consumer Financial Protection, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, and National Credit Union Administration). The other two members are designated by the heads of the Department of Housing and Urban Development and the Federal Housing Finance Agency.

[2] See Appendix B, Glossary of Terms, for the definition of "State."

[3] See Appendix B, Glossary of Terms, for the definition of "federally related transaction."

[4] Pub. L. 111-203, 124 Stat. 1376.

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

[6] See Appendix B, Glossary of Terms, for the definition of "appraisal management company" or AMC.

[7] See Appendix A, Compliance Review Process.

[8] 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; Bureau of Consumer Financial Protection; 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.)

[9] These Policy Statements, adopted February 14, 2018, supersede all previous Policy Statements adopted by the ASC.

# PART A: APPRAISER PROGRAM

## POLICY STATEMENT 1

### Statutes, Regulations, Policies and Procedures Governing

### State Appraiser Programs

#### A. State Regulatory Structure

Title XI requires the ASC to monitor each State appraiser certifying and licensing agency for the purpose of determining whether each such agency has in place policies, practices and procedures consistent with the requirements of Title XI.[10] The ASC recognizes that each State may have legal, fiscal, regulatory or other factors that may influence the structure and organization of its Appraiser Program. Therefore, a State has flexibility to structure its Appraiser Program so long as it meets its Title XI-related responsibilities.

States should maintain an organizational structure for appraiser certification, licensing and supervision that avoids conflicts of interest. A State agency may be headed by a board, commission or an individual. State board[11] or commission members, or employees in policy or decision-making positions, should understand and adhere to State statutes and regulations governing performance of responsibilities consistent with the highest ethical standards for public service. In addition, Appraiser Programs using private entities or contractors should establish appropriate internal policies, procedures and safeguards to promote compliance with the State agency's responsibilities under Title XI and these Policy Statements.

#### B. Funding and Staffing

The Dodd-Frank Act amended Title XI to require the ASC to determine whether States have sufficient funding and staffing to meet their Title XI requirements. Compliance with this provision requires that a State must provide its Appraiser Program with funding and staffing sufficient to carry out its Title XI-related duties. The ASC evaluates the sufficiency of funding and staffing as part of its review of all aspects of an Appraiser Program's effectiveness, including the adequacy of State boards, committees, or commissions responsible for carrying out Title XI-related duties.

#### C. Minimum Criteria

Title XI requires States to adopt and/or implement all relevant AQB Criteria. Requirements established by a State for certified residential or certified general appraisers, as well as requirements established for licensed appraisers, trainee appraisers and supervisory appraisers must meet or exceed applicable AQB Criteria.

#### D. Federally Recognized Appraiser Classifications

##### State Certified Appraisers

"State certified appraisers" means those individuals who have satisfied the requirements for residential or general certification in a State whose criteria for certification meet or exceed the applicable minimum AQB Criteria. Permitted scope of practice and designation for State certified residential or certified general appraisers must be consistent with State and Federal laws, including regulations and supplementary guidance.

##### State Licensed Appraisers

"State licensed appraisers" means those individuals who have satisfied the requirements for licensing in a State whose criteria for licensing meet or exceed the applicable minimum AQB Criteria. The permitted scope of practice and designation for State licensed appraisers must be consistent with State and Federal laws, including regulations and supplementary guidance.

##### Trainee Appraisers

"Trainee appraisers" means those individuals who have satisfied the requirements for credentialing in a State whose criteria for

[10] Title XI § 1118 (a), 12 U.S.C. § 3347.

[11] *See* Appendix B, *Glossary of Terms,* for the definition of "State board."



Q.99

credentialing meet or exceed the applicable minimum AQB Criteria. Any minimum qualification requirements established by a State for individuals in the position of "trainee appraiser" or "supervisory appraiser" must meet or exceed the applicable minimum AQB Criteria. ASC staff will evaluate State designations such as "registered appraiser," "apprentice appraiser," "provisional appraiser," or any other similar designation to determine if, in substance, such designation is consistent with a "trainee appraiser" designation and, therefore, administered to comply with Title XI. The permitted scope of practice and designation for trainee appraisers must be consistent with State and Federal laws, including regulations and supplementary guidance.

Any State or Federal agency may impose additional appraiser qualification requirements for trainee, State licensed, certified residential or certified general classifications, if they consider such requirements necessary to carry out their responsibilities under Federal and/or State statutes and regulations, so long as the additional qualification requirements do not preclude compliance with AQB Criteria.

### E. Non-federally Recognized Credentials

States using non-federally recognized credentials or designations[12] must ensure that they are easily distinguished from the federally recognized credentials.

### F. Appraisal Standards

Title XI and the Federal financial institutions regulatory agencies' regulations mandate that all appraisals performed in connection with federally related transactions be in written form, prepared in accordance with generally accepted appraisal standards as promulgated by the Appraisal Standards Board (ASB) in the Uniform Standards of Professional Appraisal Practice (USPAP), and be subject to appropriate review for compliance with

USPAP.[13] States that have incorporated USPAP into State law should ensure that statutes or regulations are updated timely to adopt the current version of USPAP, or if State law allows, automatically incorporate the latest version of USPAP as it becomes effective. States should consider ASB Advisory Opinions, Frequently Asked Questions, and other written guidance issued by the ASB regarding interpretation and application of USPAP.

Any State or Federal agency may impose additional appraisal standards if they consider such standards necessary to carry out their responsibilities, so long as additional appraisal standards do not preclude compliance with USPAP or the Federal financial institutions regulatory agencies' appraisal regulations for work performed for federally related transactions.

The Federal financial institutions regulatory agencies' appraisal regulations define "appraisal" and identify which real estate-related financial transactions require the services of a State certified or licensed appraiser. These regulations define "appraisal" as a "written statement independently and impartially prepared by a qualified appraiser setting forth an opinion as to the market value of an adequately described property as of a specific date(s) supported by the presentation and analysis of relevant market information." Per these regulations, an appraiser performing an appraisal review which includes the reviewer providing his or her own opinion of value constitutes an appraisal. Under these same regulations, an appraisal review that does not include the reviewer providing his or her own opinion of value does not constitute an appraisal. Therefore, under the Federal financial institutions regulatory agencies' regulations, only those transactions that involve appraisals for federally related transactions require the services of a State certified or licensed appraiser.

### G. Exemptions

Title XI and the Federal financial institutions regulatory agencies' regulations specifically require the use of State certified or licensed appraisers in connection with the appraisal of certain real estate-related financial transactions.[14] A State may not exempt any individual or group of individuals from meeting the State's certification or licensing requirements if the individual or group member performs an appraisal when Federal statutes and regulations require the use

[12] *See* Appendix B, *Glossary of Terms*, for the definition of "non-federally recognized credentials or designations."

[13] *See* Appendix B, *Glossary of Terms* for the definition of "Uniform Standards of Professional Appraisal Practice."

[14] Title XI § 1112, 12 U.S.C. § 3341; Title XI § 1113, 12 U.S.C. § 3342; Title XI § 1114, 12 U.S.C. § 3343.

of a certified or licensed appraiser. For example, an individual who has been exempted by the State from its appraiser certification or licensing requirements because he or she is an officer, director, employee or agent of a federally regulated financial institution would not be permitted to perform an appraisal in connection with a federally related transaction.

### H. ASC Staff Attendance at State Board Meetings

The efficacy of the ASC's Compliance Review process rests on the ASC's ability to obtain reliable information about all areas of a State's Appraiser Program. ASC staff regularly attends open State board meetings as part of the on-site Compliance Review process. States are expected to make available for review by ASC staff minutes of closed meetings and executive sessions. States are encouraged to allow ASC staff to attend closed and executive sessions of State board meetings where such attendance would not violate State law or regulation or be inconsistent with other legal obligations of the State board. ASC staff is obligated to protect information obtained during the Compliance Review process concerning the privacy of individuals and any confidential matters.

### I. Summary of Requirements

1. States must require that appraisals be performed in accordance with the latest version of USPAP.[15]
2. States must, at a minimum, adopt and/or implement all relevant AQB Criteria.[16]
3. States must have policies, practices and procedures consistent with Title XI.[17]
4. States must have funding and staffing sufficient to carry out their Title XI-related duties.[18]
5. States must use proper designations and permitted scope of practice for certified residential; certified general; licensed; and trainee classifications.[19]
6. State board members, and any persons in policy or decision-making positions, must perform their responsibilities consistent with Title XI.[20]
7. States' certification and licensing requirements must meet the minimum requirements set forth in Title XI.[21]
8. State requirements for trainee appraisers and supervisory appraisers must meet or exceed the AQB Criteria.
9. State agencies must be granted adequate authority by the State to maintain an effective regulatory Appraiser Program in compliance with Title XI.[22]

---

[15] Title XI § 1101, 12 U.S.C. § 3331; Title XI § 1118 (a), 12 U.S.C. § 3347; AQB *Real Property Appraiser Qualification Criteria*.

[16] Title XI §§ 1116 (a), (c) and (e), 12 U.S.C. § 3345; Title XI § 1118 (a), 12 U.S.C. § 3347.

[17] Title XI § 1118 (a), 12 U.S.C. § 3347.

[18] *Id;* Title XI § 1118 (b), 12 U.S.C. § 3347.

[19] Title XI §§ 1116 (a), (c) and (e), 12 U.S.C. § 3345; Title XI § 1118 (a), 12 U.S.C. § 3347; Title XI § 1113, 12 U.S.C. § 3342; AQB *Real Property Appraiser Qualification Criteria*.

[20] Title XI § 1118 (a), 12 U.S.C. § 3347.

[21] Title XI §§ 1116 (a), (c) and (e), 12 U.S.C. § 3345.

[22] Title XI § 1118 (b), 12 U.S.C. § 3347.



Q.101

## POLICY STATEMENT 2

### Temporary Practice

**A. Requirement for Temporary Practice**

Title XI requires State agencies to recognize, on a temporary basis, the certification or license of an out-of-State appraiser entering the State for the purpose of completing an appraisal assignment[23] for a federally related transaction. States are not, however, required to grant temporary practice permits to trainee appraisers. The out-of-State appraiser must register with the State agency in the State of temporary practice (Host State). A State may determine the process necessary for "registration" provided such process complies with Title XI and does not impose "excessive fees or burdensome requirements," as determined by the ASC.[24] Thus, a credentialed appraiser[25] from State A has a statutory right to enter State B (the Host State) to perform an assignment concerning a federally related transaction, so long as the appraiser registers with the State agency in State B prior to performing the assignment. Though Title XI contemplates reasonably free movement of credentialed appraisers across State lines, an out-of-State appraiser must comply with the Host State's real estate appraisal statutes and regulations and is subject to the Host State's full regulatory jurisdiction. States should utilize the National Registry of Appraisers to verify credential status on applicants for temporary practice.

**B. Excessive Fees or Burdensome Requirements**

Title XI prohibits States from imposing excessive fees or burdensome requirements, as determined by the ASC, for temporary practice.[26] Adherence by State agencies to the following mandates and prohibitions will deter the imposition of excessive fees or burdensome requirements.

**Host State agencies must:**

a. issue temporary practice permits on an assignment basis;

b. issue temporary practice permits within five business days of receipt of a completed application, or notify the applicant and document the file as to the circumstances justifying delay or other action;

c. issue temporary practice permits designating the permit's effective date;

d. take regulatory responsibility for a temporary practitioner's unethical, incompetent and/or fraudulent practices performed while in the State;

e. notify the appraiser's home State agency27 in the case of disciplinary action concerning a temporary practitioner;

f. allow at least one temporary practice permit extension through a streamlined process;

g. track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any (States are strongly encouraged to maintain this information in an electronic, sortable format); and

h. maintain documentation sufficient to demonstrate compliance with this Policy Statement.

**Host State agencies may not:**

a. limit the valid time period of a temporary practice permit to less than 6 months

(unless the applicant requests a specific end date and the applicant is allowed an extension if required to complete the assignment, the applicant's credential is no longer in active status during that period of time);

b. limit an appraiser to one temporary practice

[23] *See* Appendix B, *Glossary of Terms*, for the definition of "assignment."

[24] Title XI § 1122 (a) (2), 12 U.S.C. § 3351.

[25] *See* Appendix B, *Glossary of Terms,* for the definition of "credentialed appraisers."

[26] Title XI § 1122 (a) (2), 12 U.S.C. § 3351.

[27] See Appendix B, Glossary of Terms, for the definition of "home State agency."

permit per calendar year;[28]

c. charge a temporary practice permit fee exceeding $250, including one extension fee;

d. impose State appraiser qualification requirements for education, experience and/or exam upon temporary practitioners;

e. require temporary practitioners to obtain a certification or license in the State of temporary practice;

f. require temporary practitioners to affiliate with an in-State licensed or certified appraiser;

g. refuse to register licensed or certified appraisers seeking temporary practice in a State that does not have a licensed or certified level credential; or

h. prohibit temporary practice.

**Home State agencies may not:**

a. delay the issuance of a written "letter of good standing" or similar document for more than five business days after receipt of a request; or

b. fail to consider and, if appropriate, take disciplinary action when one of its certified or licensed appraisers is disciplined by another State.

### C. Summary of Requirements

1. States must recognize, on a temporary basis, appraiser credentials issued by another State if the property to be appraised is part of a federally related transaction.[29]

2. States must adhere to mandates, prohibitions and documentation requirements as set forth above in Section B above, titled *Excessive Fees or Burdensome Requirements*.[30]

---

[28] State agencies may establish by statute or regulation a policy that places reasonable limits on the number of times an out-of-State certified or licensed appraiser may exercise his or her temporary practice rights in a given year. If such a policy is not established, a State agency may choose not to honor an out-of-State certified or licensed appraiser's temporary practice rights if it has made a determination that the appraiser is abusing his or her temporary practice rights and is regularly engaging in real estate appraisal services within the State.

[29] Title XI § 1122 (a) (1), 12 U.S.C. § 3351.

[30] Title XI § 1122 (a) (2), 12 U.S.C. § 3351.



Q.103

## POLICY STATEMENT 3

### National Registry of Appraisers (Appraiser Registry)

#### A. Requirements for the Appraiser Registry

Title XI requires the ASC to maintain a National Registry of State certified and licensed appraisers who are eligible to perform appraisals in federally related transactions.[31] Title XI further requires the States to transmit to the ASC: (1) a roster listing individuals who have received a State certification or license in accordance with Title XI; (2) reports on the issuance and renewal of licenses and certifications, sanctions, disciplinary actions, revocations and suspensions; and (3) the registry fee as set by the ASC[32] from individuals who have received certification or licensing. States must notify the ASC as soon as practicable if a credential holder listed on the Appraiser Registry does not qualify for the credential held.

Roster and registry fee requirements apply to all individuals who receive State certifications or licenses, originally or by reciprocity, whether or not the individuals are, in fact, performing or planning to perform appraisals in federally related transactions. If an appraiser is certified or licensed in more than one State, the appraiser is required to be on each State's roster of certified or licensed appraisers, and a registry fee is due from each State in which the appraiser is certified or licensed.

Only AQB-compliant certified and licensed appraisers in active status on the Appraiser Registry are eligible to perform appraisals in connection with federally related transactions. Only those appraisers whose registry fees have been transmitted to the ASC will be eligible to be on the Appraiser Registry for the period subsequent to payment of the fee.

Some States may give State certified or licensed appraisers an option to not pay the registry fee. If a State certified or licensed appraiser chooses not to pay the registry fee, then the Appraiser Program must ensure that any potential user of that appraiser's services is aware that the appraiser is not eligible to perform appraisals for federally related transactions. The Appraiser Program must place a conspicuous notice directly on the face of any evidence of the appraiser's authority to appraise stating, "Not Eligible To Appraise Federally Related Transactions," and the appraiser must not be listed in active status on the Appraiser Registry.

The ASC extranet application allows States to update their appraiser credential information directly to the Appraiser Registry. Only Authorized Registry Officials are allowed to request access for their State personnel (see section C below). The ASC will issue a User Name and Password to the designated State personnel responsible for that State's Appraiser Registry entries. Designated State personnel are required to protect the right of access, and not share their User Name or Password with anyone. States must adopt and implement a written policy to protect the right of access, as well as the ASC issued User Name and Password. The ASC will provide detailed specifications regarding the data elements on the Appraiser Registry.

#### B. Registry Fee and Invoicing Policies

Each State must remit to the ASC the annual registry fee, as set by the ASC, for State certified or licensed appraisers within the State to be listed on the Appraiser Registry. Requests to prorate refunds or partial-year registrations will not be granted. If a State collects multiple-year fees for multiple-year certifications or licenses, the State may choose to remit to the ASC the total amount of the multiple-year registry fees or the equivalent annual fee amount. The ASC will, however, record appraisers on the Appraiser Registry only for the number of years for which the ASC has received payment. Nonpayment by a State of an appraiser's registry fee may result in the status of that appraiser being listed as "inactive." States must reconcile and pay registry invoices in a timely manner (45 calendar days after the invoice date). When a State's failure to pay a past due invoice results in appraisers being listed as inactive, the ASC will not change those appraisers back to active status until payment is received from the State. An inactive status on the Appraiser Registry, for whatever the reason, renders an appraiser ineligible to perform appraisals in connection with federally related transactions.

#### C. Access to Appraiser Registry Data

The ASC website provides free access to the public

[31] Title XI § 1103 (a) (3), 12 U.S.C. § 3332.

[32] Title XI § 1109, *Roster of State certified or licensed appraisers; authority to collect and transmit fees,* requires the ASC to consider at least once every 5 years whether to adjust the dollar amount of the registry fees to account for inflation. (Title XI § 1109 (a), 12 U.S.C. § 3338.)

portion of the Appraiser Registry at www.asc.gov. The public portion of the Appraiser Registry data may be downloaded using predefined queries or user-customized applications.

Access to the full database, which includes non-public data (*e.g.*, certain disciplinary action information), is restricted to authorized State and Federal regulatory agencies. States must designate a senior official, such as an executive director, to serve as the State's Authorized Registry Official, and provide to the ASC, in writing, information regarding the designated Authorized Registry Official. States must ensure that the authorization information provided to the ASC is updated and accurate.

### D. Information Sharing

Information sharing (routine exchange of certain information among lenders, governmental entities, State agencies and the ASC) is essential for carrying out the purposes of Title XI. Title XI requires the ASC, any other Federal agency or instrumentality, or any federally recognized entity to report any action of a State certified or licensed appraiser that is contrary to the purposes of Title XI to the appropriate State agency for disposition. The ASC believes that full implementation of this Title XI requirement is vital to the integrity of the system of State appraiser regulation. States are encouraged to develop and maintain procedures for sharing of information among themselves.

The Appraiser Registry's value and usefulness are largely dependent on the quality and frequency of State data submissions. Accurate and frequent data submissions from all States are necessary to maintain an up-to-date Appraiser Registry. States must submit appraiser data in a secure format to the ASC at least monthly. If there are no changes to the data, the State agency must notify the ASC of that fact in writing. States are encouraged to submit data as frequently as possible.

States must report all disciplinary action[33] taken against an appraiser to the ASC via the extranet application within 5 business days after the disciplinary action is final, as determined by State law.[34] States not reporting via the extranet application must provide, in writing to the ASC, a description of the circumstances preventing compliance with this requirement.[35] For the most serious disciplinary actions (*i.e.*, voluntary surrenders, suspensions and revocations, or any action that interrupts a credential holder's ability to practice), the appraiser's status must be changed on the Appraiser Registry to "inactive," thereby making the appraiser ineligible to perform appraisals for federally related transactions or other transactions requiring the use of State certified or licensed appraisers.[36]

Title XI also contemplates the reasonably free movement of certified and licensed appraisers across State lines. This freedom of movement assumes, however, that certified and licensed appraisers are, in all cases, held accountable and responsible for their actions while performing appraisal activities.

### E. Summary of Requirements

1. a timely manner (45 calendar days after the invoice date).[37]
2. States must report all disciplinary action taken against an appraiser to the ASC via the extranet application within 5 business days after the disciplinary action is final, as determined by State law.[38]
3. States not reporting via the extranet application must provide, in writing to the ASC, a description of the circumstances preventing compliance with this requirement.[39]
4. For the most serious disciplinary actions (*i.e.*, voluntary surrenders, suspensions and revocations, or any action that interrupts a credential holder's ability to practice), the appraiser's status must be changed on the Appraiser Registry to "inactive," thereby making the appraiser ineligible to perform appraisals for federally related transactions or

[33] *See* Appendix B, *Glossary of Terms*, for the definition of "disciplinary action."

[34] *Id.*

[35] Title XI § 1118 (a), 12 U.S.C. § 3347.

[36] *Id.*

[37] Title XI § 1118 (a), 12 U.S.C. § 3347; Title XI § 1109 (a), 12 U.S.C. § 3338.

[38] *Id.*

[39] Title XI § 1118 (a), 12 U.S.C. § 3347.



Q.105

other transactions requiring the use of State certified or licensed appraisers.[40]

5. States must designate a senior official, such as an executive director, who will serve as the State's Authorized Registry Official, and provide to the ASC, in writing, information regarding the selected Authorized Registry Official, and any individual(s) authorized to act on their behalf. [41]
6. States must ensure that the authorization information provided to the ASC is updated and accurate.[42]
7. States must adopt and implement a written policy to protect the right of access to the Appraiser Registry, as well as the ASC issued User Name and Password.[43]
8. States must ensure the accuracy of all data submitted to the Appraiser Registry.[44]
9. States must submit appraiser data (other than discipline) to the ASC at least monthly. If a State's data does not change during the month, the State agency must notify the ASC of that fact in writing.[45]
10. If a State certified or licensed appraiser chooses not to pay the registry fee, the State must ensure that any potential user of that appraiser's services is aware that the appraiser's certificate or license is limited to performing appraisals only in connection with non-federally related transactions.[46]

[40] *Id.*
[41] *Id.*
[42] *Id.*
[43] *Id.*
[44] *Id.*
[45] *Id.*
[46] *Id.*

## POLICY STATEMENT 4

### Application Process

AQB Criteria sets forth the minimum education, experience and examination requirements applicable to all States for credentialing of real property appraisers (certified, licensed, trainee and supervisory). In the application process, States must, at a minimum, employ a reliable means of validating both education and experience credit claimed by applicants for credentialing.[47] Effective January 1, 2017, AQB Criteria also requires States to assess whether an applicant for a real property appraiser credential possesses a background that would not call into question public trust. The basis for such assessment shall be a matter left to the individual States, and must, at a minimum, be documented to the file.

### A. Processing of Applications

States must process applications in a consistent, equitable and well-documented manner. Applications for credentialing should be timely processed by State agencies (within 90 calendar days after receipt of a completed application). Any delay in the processing of applications must be sufficiently documented in the file to explain the delay. States must ensure appraiser credential applications submitted for processing do not contain invalid examinations as established by AQB Criteria.

States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance, upgrade and renewal of a credential so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations. Documentation must include:

1. Application receipt date;
2. Education;
3. Experience;
4. Examination;
5. Continuing education; and
6. Any administrative or disciplinary action taken in connection with the application process, including results of any continuing education audit.

### B. Qualifying Education for Initial or Upgrade Applications

States must verify that:

(1) the applicant's claimed education courses are acceptable under AQB Criteria; and

(2) the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought.

States may not accept an affidavit for claimed qualifying education from applicants for any federally recognized credential.[48] States must maintain adequate documentation to support verification of education claimed by applicants.

### C. Continuing Education for Reinstatement and Renewal Applications

#### 1. Reinstatement Applications

States must verify that:

(1) the applicant's claimed continuing education courses are acceptable under AQB Criteria; and

(2) the applicant has successfully completed all continuing education consistent with AQB Criteria for reinstatement of the appraiser credential sought.

States may not accept an affidavit for continuing education claimed from applicants for reinstatement. Applicants for reinstatement must submit documentation to support claimed continuing education and States must maintain adequate documentation to support verification of claimed education.

#### 2. Renewal Applications

[47] Includes applications for credentialing of trainee, licensed, certified residential or certified general classifications.

[48] If a State accepts education-related affidavits from applicants for initial licensure in any non-certified classification, upon the appraiser's application to upgrade to a certified classification, the State must require documentation to support the appraiser's educational qualification for the certified classification, not just the incremental amount of education required to move from the non-certified to the certified classification. This requirement applies to all federally recognized credentials.



Q.107

States must ensure that continuing education courses for renewal of an appraiser credential are consistent with AQB Criteria and that continuing education hours required for renewal of an appraiser credential were completed consistent with AQB Criteria. States may accept affidavits for continuing education credit claimed for credential renewal so long as the State implements a reliable validation procedure that adheres to the following objectives and requirements:

**a. Validation objectives**

The State's validation procedures must be structured to permit acceptable projections of the sample results to the entire population of subject appraisers. Therefore, the sample must include an adequate number of affidavits selected from each federally recognized credential level to have a reasonable chance of identifying appraisers who fail to comply with AQB Criteria, and the sample must include a statistically relevant representation of the appraiser population being sampled.

**b. Minimum Standards**

1) Validation must include a prompt post-approval audit. Each audit of an affidavit for continuing education credit claimed must be completed within 60 business days from the date the credential is scheduled for renewal (based on the credential's expiration date). To ensure the audit is a statistically relevant representation, a sampling of credentials that were renewed after the scheduled expiration date and/or beyond the date the sample was selected, must also be audited to ensure that a credential holder may not avoid being selected for a continuing education audit by renewing early or late.
2) States must audit the continuing education-related affidavit for each credentialed appraiser selected in the sampling procedure.
3) States must determine that education courses claimed conform to AQB Criteria and that the appraiser successfully completed each course.
4) When a State determines that an appraiser's continuing education does not meet AQB Criteria, and the appraiser has failed to complete any remedial action offered, the State must take appropriate action to suspend the appraiser's eligibility to perform appraisals in federally related transactions until such time that the requisite continuing education has been completed. The State must notify the ASC within five (5) business days after taking such action in order for the appraiser's record on the Appraiser Registry to be updated appropriately.
5) If a State determines that a renewal applicant knowingly falsely attested to completing the continuing education required by AQB Criteria, the State must take appropriate administrative and/or disciplinary action and report such action, if deemed to be discipline, to the ASC within five (5) business days.
6) If more than ten percent of the audited appraisers fail to meet the AQB Criteria, the State must take remedial action[49] to address the apparent weakness of its affidavit process. The ASC will determine on a case-by-case basis whether remedial actions are effective and acceptable.
7) In the case of a renewal being processed after the credential's expiration date, but within the State's allowed grace period for a late renewal, the State must establish a reliable process to audit affidavits for continuing education (e.g., requiring documentation of all continuing education).

[49] For example: a State may conduct an additional audit using a higher percentage of audited appraisers; or a State may publicly post action taken to sanction non-compliant appraisers to increase awareness in the appraiser community of the importance of compliance with continuing education requirements.



Q.108

c. Documentation

States must maintain adequate documentation to support its affidavit renewal and audit procedures and actions.

d. List of Education Courses

To promote accountability, the ASC encourages States accepting affidavits for continuing education credit claimed for credential renewal to require that the appraiser provide a list of courses to support the affidavit.

## D. Experience for Initial or Upgrade Applications

States must ensure that appraiser experience logs conform to AQB Criteria. States may not accept an affidavit for experience credit claimed by applicants for any federally recognized credential.[50]

### 1. Validation Required

States must implement a reliable validation procedure to verify that each applicant's experience meets AQB Criteria, including but not limited to, being USPAP compliant and containing the required number of hours and months.

### 2. Validation Procedures, Objectives and Requirements

a. Experience Hours Validation

States must determine the hours and time period claimed on the experience log are accurate. Appraiser Program staff or State board members must select the work product to validate the experience hours claimed; applicants may not have any role in this selection process.

b. USPAP Compliance

States must analyze a representative sample of the applicant's work product for compliance with USPAP. For appraisal experience to be acceptable under AQB Criteria, it must be USPAP compliant. States must exercise due diligence in determining whether submitted documentation of experience or work product demonstrates compliance with USPAP. Persons analyzing work product for USPAP compliance must be knowledgeable about appraisal practice and USPAP, and States must be able to document how such persons are so qualified.

c. Determination of Experience Time Periods

Experience time periods must conform to requirements set forth in the AQB Criteria for the credential sought.

d. Supporting Documentation

States must maintain adequate documentation to support validation methods. The applicant's file, either electronic or paper, must include the information necessary to identify each appraisal assignment selected to validate the experience hours claimed and each appraisal assignment analyzed by the State for USPAP compliance, notes, letters and/or reports prepared by the official(s) evaluating the report for USPAP compliance, and any correspondence exchanged with the applicant regarding the appraisals submitted. This supporting documentation may be discarded upon the completion of the first ASC Compliance Review performed after the credential issuance or denial for that applicant.

## E. Examination

States must ensure that an appropriate AQB-approved qualifying examination is administered for each of the federally recognized appraiser classifications requiring an examination.

## F. Summary of Requirements

### Processing of Applications

[50] *See* Policy Statement 1D and E for discussion of "federally recognized credential" and "non-federally recognized credential." If prior to July 1, 2013, a State accepted experience-related affidavits from applicants for initial licensure in any non-certified classification, upon the appraiser's application to upgrade to a certified classification, the State must require experience documentation to support the appraiser's qualification for the certified classification, not just the incremental amount of experience required to move from the non-certified to the certified classification. For example, if a State accepted an experience affidavit from an appraiser to support the appraiser's initial hours to qualify for the licensed classification, and subsequently that appraiser applies to upgrade to the certified residential classification, the State must require documentation to support the full experience hours required for the certified residential classification, not just the difference in hours between the two classifications.



Q.109

1. States must process applications in a consistent, equitable and well-documented manner.[51]
2. States must ensure appraiser credential applications submitted for processing do not contain invalid examinations as established by AQB Criteria.[52]
3. States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance, upgrade or renewal of a credential so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations.[53]

### Education

1. States must verify that the applicant's claimed education courses are acceptable under AQB Criteria, whether for initial credentialing, renewal, upgrade or reinstatement.[54]
2. States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought, whether for initial credentialing, renewal, upgrade or reinstatement.[55]
3. States must maintain adequate documentation to support verification.[56]
4. States may not accept an affidavit for education claimed from applicants for any federally recognized credential.[57]
5. States may not accept an affidavit for continuing education claimed from applicants for reinstatement.[58]
6. States may accept affidavits for continuing education credit claimed for credential renewal so long as the State implements a reliable validation procedure.[59]
7. Audits of affidavits for continuing education credit claimed must be completed within sixty (60) business days from the date the credential is scheduled for renewal (based on the credential's expiration date).[60]
8. In the case of a renewal being processed after the credential's expiration date, but within the State's allowed grace period for a late renewal, the State must establish a reliable process to audit affidavits for continuing education (*e.g.*, requiring documentation of all continuing education).[61]
9. States are required to take remedial action when it is determined that more than ten percent of audited appraiser's affidavits for continuing education credit claimed fail to meet the minimum AQB Criteria.[62]
10. States are required to take appropriate administrative and/or disciplinary action when it is determined that an applicant knowingly falsely attested to completing continuing education.[63]
11. When a State determines that an appraiser's continuing education does not meet AQB Criteria, and the appraiser has failed to complete any remedial action offered, the State must take appropriate action to suspend the appraiser's eligibility to perform appraisals in federally related transactions until such time that the requisite continuing education has been completed. The State must notify the ASC within five (5) business days after taking such action in order for the appraiser's

[51] Title XI § 1118 (a), 12 U.S.C. § 3347.
[52] Title XI § 1118 (a), 12 U.S.C. § 3347; AQB *Real Property Appraiser Qualification Criteria.*
[53] Title XI § 1118 (a), 12 U.S.C. § 3347.
[54] *Id.*
[55] *Id.*
[56] Title XI § 1118 (a), 12 U.S.C. § 3347.
[57] *Id.*
[58] *Id.*
[59] Title XI § 1118 (a), 12 U.S.C. § 3347; AQB *Real Property Appraiser Qualification Criteria.*
[60] Title XI § 1118 (a), 12 U.S.C. § 3347.
[61] *Id.*
[62] *Id.*
[63] *Id.*

record on the Appraiser Registry to be updated appropriately.[64]

### Experience

1. States may not accept an affidavit for experience credit claimed from applicants for any federally recognized credential.[65]
2. States must ensure that appraiser experience logs conform to AQB Criteria.[66]
3. States must use a reliable means of validating appraiser experience claims on all initial or upgrade applications for appraiser credentialing.[67]
4. States must select the work product to validate the experience hours claimed on all initial or upgrade applications for appraiser credentialing.[68]
5. States must analyze a representative sample of the applicant's work product for compliance with USPAP on all initial or upgrade applications for appraiser credentialing.[69]
6. States must exercise due diligence in determining whether submitted documentation of experience or work product demonstrates compliance with USPAP on all initial or upgrade applications for appraiser credentialing.[70]
7. Persons analyzing work product for USPAP compliance must be knowledgeable about appraisal practice and USPAP, and States must be able to document how such persons are so qualified.[71]
8. Experience time periods must conform to requirements set forth in the AQB Criteria for the credential sought.[72]

### Examination

1. States must ensure that an appropriate AQB-approved qualifying examination is administered for each of the federally recognized credentials requiring an examination.[73]

---

[64] *Id.*
[65] *Id.*
[66] Title XI § 1118 (a), 12 U.S.C. § 3347; AQB *Real Property Appraiser Qualification Criteria.*
[67] Title XI § 1118 (a), 12 U.S.C. § 3347.
[68] Title XI § 1118 (a), 12 U.S.C. § 3347.
[69] *Id.*
[70] *Id.*
[71] *Id.*
[72] Title XI § 1118 (a), 12 U.S.C. § 3347; AQB *Real Property Appraiser Qualification Criteria.*
[73] *Id.*


Q.111

## POLICY STATEMENT 5

### Reciprocity

**A. Reciprocity Policy**

Title XI contemplates the reasonably free movement of certified and licensed appraisers across State lines. The ASC monitors Appraiser Programs for compliance with the reciprocity provision of Title XI as amended by the Dodd-Frank Act.[74] Title XI requires that in order for a State's appraisers to be eligible to perform appraisals for federally related transactions, the State must have a policy in place for issuing reciprocal credentials IF:

a. the appraiser is coming from a State (Home State) that is "in compliance" with

Title XI as determined by the ASC; AND

b. (i) the appraiser holds a valid credential from the Home State; AND

(ii) the credentialing requirements of the Home State[75] meet or exceed those of the reciprocal credentialing State (Reciprocal State).[76]

An appraiser relying on a credential from a State that does not have such a policy in place may not perform appraisals for federally related transactions. A State may be more lenient in the issuance of reciprocal credentials by implementing a more open door policy. However, States cannot impose additional impediments to obtaining reciprocal credentials.

For purposes of implementing the reciprocity policy, States with an ASC Finding[77] of "Poor" do not satisfy the "in compliance" provision for reciprocity. Therefore, States are not required to recognize, for purposes of granting a reciprocal credential, the license or certification of an appraiser credentialed in a State with an ASC Finding of "Poor."

**B. Application of Reciprocity Policy**

The following examples illustrate application of reciprocity in a manner that complies with Title XI. The examples refer to the reciprocity policy requiring issuance of a reciprocal credential IF:

a. the appraiser is coming from a State that is "in compliance"; AND

b. (i) the appraiser holds a valid credential from that State; AND

(ii) the credentialing requirements of that State (as they currently exist) meet or exceed those of the reciprocal credentialing State (as they currently exist).

**Example 1. Additional Requirements Imposed on Applicants**

State A requires that prior to issuing a reciprocal credential the applicant must certify that disciplinary proceedings are not pending against that applicant in any jurisdiction. Under b (ii) above, if this requirement is not imposed on all of its own applicants for credentialing, STATE A cannot impose this requirement on applicants for reciprocal credentialing.

**Example 2. Credentialing Requirements**

An appraiser is seeking a reciprocal credential in STATE A. The appraiser holds a valid credential in STATE Z, even though it was issued in 2007. This satisfies b (i) above. However, in order to satisfy b (ii), STATE A would evaluate STATE Z's credentialing requirements as they currently exist to determine whether they meet or exceed STATE A's current requirements for credentialing.

**Example 3. Multiple State Credentials**

An appraiser credentialed in several States is seeking a reciprocal credential in State A. That appraiser's initial credentials were obtained through examination in the original credentialing State and through reciprocity in the additional States. State A requires the applicant to provide a "letter of good standing" from the State of original credentialing as a condition of granting a reciprocal credential. State A

---

[74] Title XI § 1122 (b), 12 U.S.C. § 3351.

[75] As they exist at the time of application for reciprocal credential.

[76] *Id.*

[77] *See* Appendix A, *Compliance Review Process*, for an explanation of ASC Findings.

may not impose such a requirement since Title XI does not distinguish between credentials obtained by examination and credentials obtained by reciprocity for purposes of granting reciprocal credentials.

### C. Appraiser Compliance Requirements

In order to maintain a credential granted by reciprocity, appraisers must comply with the credentialing State's policies, rules and statutes governing appraisers, including requirements for payment of certification and licensing fees, as well as continuing education.[78]

### D. Well-Documented Application Files

States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance of a credential by reciprocity so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations.

### E. Summary of Requirements

1. States must have a reciprocity policy in place for issuing a reciprocal credential to an appraiser from another State under the conditions specified in Title XI in order for the State's appraisers to be eligible to perform appraisals for federally related transactions.[79]
2. States may be more lenient in the issuance of reciprocal credentials by implementing a more open door policy; however, States may not impose additional impediments to issuance of reciprocal credentials.[80]
3. States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance of a credential by reciprocity so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations.[81]

---

[78] A State may offer to accept continuing education (CE) for a renewal applicant who has satisfied CE requirements of a home State; however, a State may not impose this as a requirement for renewal, thereby imposing a requirement for the renewal applicant to retain a home State credential.

[79] Title XI § 1122 (b), 12 U.S.C. § 3351.

[80] *Id.*

[81] Title XI § 1118 (a), 12 U.S.C. § 3347.



Q.113

## POLICY STATEMENT 6

### Education

AQB Criteria sets forth minimum requirements for appraiser education courses. This Policy Statement addresses proper administration of education requirements for compliance with AQB Criteria. (For requirements concerning qualifying and continuing education in the application process, see Policy Statement 4, *Application Process*.)

### A. Course Approval

States must ensure that approved appraiser education courses are consistent with AQB Criteria and maintain sufficient documentation to support that approved appraiser education courses conform to AQB Criteria.

States should ensure that course approval expiration dates assigned by the State coincide with the endorsement period assigned by the AQB's Course Approval Program or any other AQB-approved organization providing approval of course design and delivery. States may not continue to accept AQB approved courses after the AQB's expiration date unless the course content is reviewed and approved by the State.

States should ensure that educational providers are afforded equal treatment in all respects.[82]

States are encouraged to accept courses approved by the AQB's Course Approval Program.

### B. Distance Education

States must ensure that distance education courses meet AQB Criteria and that the delivery mechanism for distance education courses offered by a non-academic provider, including secondary providers, has been approved by an AQB-approved organization providing approval of course design and delivery.

States may not continue to accept courses after the AQB-approved organization's approval of course design and delivery date has expired.

### C. Summary of Requirements

1. States must ensure that appraiser education courses are consistent with AQB Criteria.[83]
2. States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria.[84]
3. States must ensure the delivery mechanism for distance education courses offered by a non-academic provider, including secondary providers, has been approved by an AQB-approved organization providing approval of course design and delivery.[85]

---

[82] For example: (1) consent agreements requiring additional education should not specify a particular course provider when there are other providers on the State's approved course listing offering the same course; and (2) courses from professional organizations should not be automatically approved and/or approved in a manner that is less burdensome than the State's normal approval process.

[83] Title XI § 1118 (a), 12 U.S.C. § 3347; AQB *Real Property Appraiser Qualification Criteria*.

[84] Title XI § 1118 (a), 12 U.S.C. § 3347.

[85] Title XI § 1118 (a), 12 U.S.C. § 3347; AQB *Real Property Appraiser Qualification Criteria*.

## POLICY STATEMENT 7

### State Agency Enforcement

### A. State Agency Regulatory Program

Title XI requires the ASC to monitor the States for the purpose of determining whether the State processes complaints and completes investigations in a reasonable time period, appropriately disciplines sanctioned appraisers and maintains an effective regulatory program.[86]

### B. Enforcement Process

States must ensure that the system for processing and investigating complaints[87] and sanctioning appraisers is administered in a timely, effective, consistent, equitable, and well-documented manner.

#### 1. Timely Enforcement

States must process complaints of appraiser misconduct or wrongdoing in a timely manner to ensure effective supervision of appraisers, and when appropriate, that incompetent or unethical appraisers are not allowed to continue their appraisal practice. Absent special documented circumstances, final administrative decisions regarding complaints must occur within one year (12 months) of the complaint filing date.[88] Special documented circumstances are those extenuating circumstances (fully documented) beyond the control of the State agency that delays normal processing of a complaint such as: complaints involving a criminal investigation by a law enforcement agency when the investigative agency requests that the State refrain from proceeding; final disposition that has been appealed to a higher court; documented medical condition of the respondent; ancillary civil litigation; and complex cases that involve multiple individuals and reports. Such special documented circumstances also include those periods when State rules require referral of a complaint to another State entity for review and the State agency is precluded from further processing of the complaint until it is returned. In that circumstance, the State agency should document the required referral and the time period during which the complaint was not under its control or authority.

#### 2. Effective Enforcement

Effective enforcement requires that States investigate allegations of appraiser misconduct or wrongdoing, and if allegations are proven, take appropriate disciplinary or remedial action. Dismissal of an alleged violation solely due to an "absence of harm to the public" is inconsistent with Title XI. Financial loss or the lack thereof is not an element in determining whether there is a violation. The extent of such loss, however, may be a factor in determining the appropriate level of discipline.

Persons analyzing complaints for USPAP compliance must be knowledgeable about appraisal practice and USPAP and States must be able to document how such persons are so qualified.

States must analyze each complaint to determine whether additional violations, especially those relating to USPAP, should be added to the complaint.

Closure of a complaint based solely on a State's statute of limitations that results in dismissal of a complaint without the investigation of the merits of the complaint is inconsistent with the Title XI requirement that States assure effective supervision of the activities of credentialed appraisers.[89]

#### 3. Consistent and Equitable Enforcement

Absent specific documented facts or considerations, substantially similar cases within a State should result in similar dispositions.

#### 4. Well-Documented Enforcement

States must obtain and maintain sufficient relevant documentation pertaining to a matter so as to enable understanding of the facts and

---

[86] Title XI § 1118 (a), 12 U.S.C. § 3347.

[87] *See* Appendix B, *Glossary of Terms*, for the definition of "complaint."

[88] The one-year period for resolution of complaints is not intended to have the impact of a statute of limitation or statute of repose.

[89] Title XI § 1117, 12 U.S.C. § 3346.



Q.115

determinations in the matter and the reasons for those determinations.

a. Complaint Files

Complaint files must:

- include documentation outlining the progress of the investigation;
- demonstrate that appraisal reports are analyzed and any USPAP violations are identified and considered, whether or not they were the subject of the complaint;
- include rationale for the final outcome of the case (*i.e.*, dismissal or imposition of discipline);
- include documentation explaining any delay in processing, investigation or adjudication;
- contain documentation that all ordered or agreed upon discipline, such as probation, fine, or completion of education is tracked and that completion of all terms is confirmed; and
- be organized in a manner that allows understanding of the steps taken throughout the complaint, investigation, and adjudicatory process.

b. Complaint Logs

States must track all complaints using a complaint log. The complaint log must record all complaints, regardless of their procedural status in the investigation and/or resolution process, including complaints pending before the State board, Office of the Attorney General, other law enforcement agencies, and/or offices of administrative hearings.

The complaint log must include the following information (States are strongly encouraged to maintain this information in an electronic, sortable format):

1. Case number
2. Name of respondent
3. Actual date the complaint was received by the State
4. Source of complaint (*e.g.*, consumer, lender, AMC, bank regulator, appraiser, hotline) or name of complainant
5. Current status of the complaint
6. Date the complaint was closed (*e.g.*, final disposition by the administrative hearing agency, Office of the Attorney General, State Appraiser Regulatory Agency or Court of Appeals)
7. Method of disposition (*e.g.*, dismissal, letter of warning, consent order, final order)

### C. Summary of Requirements

1. States must maintain relevant documentation to enable understanding of the facts and determinations in the matter and the reasons for those determinations.[90]
2. States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date, except for special documented circumstances.[91]
3. States must ensure that the system for processing and investigating complaints and sanctioning appraisers is administered in an effective, consistent, equitable, and well-documented manner.[92]
4. States must track complaints of alleged appraiser misconduct or wrongdoing using a complaint log.[93]
5. States must appropriately document enforcement files and include rationale.[94]
6. States must regulate, supervise and discipline their credentialed appraisers.[95]
7. Persons analyzing complaints for USPAP

[90] Title XI § 1118 (a), 12 U.S.C. § 3347.
[91] *Id.*
[92] *Id.*
[93] *Id.*
[94] *Id.*
[95] *Id.*

compliance must be knowledgeable about appraisal practice and USPAP, and States must be able to document how such persons are so qualified.[96]

[96] *Id.*



Q.117

# PART B: AMC PROGRAM

## POLICY STATEMENT 8

### Statutes, Regulations, Policies and Procedures Governing State AMC Programs

#### A. Participating States and ASC Oversight

States are not required to establish an AMC registration and supervision program. For those States electing to participate in the registration and supervision of AMCs (participating States), ASC staff will informally monitor the State's progress to implement the requirements of Title XI and the AMC Rule.[97] Formal ASC oversight of State AMC Programs will begin at the next regularly scheduled Compliance Review of a State after a State elects to register and supervise AMCs pursuant to the AMC Rule. Formal ASC oversight will consist of evaluating AMC Programs in participating States during the Compliance Review process 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. Upon expiration of the statutory implementation period (see Policy Statement 11, *Statutory Implementation Period*), Compliance Reviews will include ASC oversight of AMC Programs for any participating State.

#### B. Relation to State Law

Participating States may establish requirements in addition to those in the AMC Rule.

Participating States may also have a more expansive definition of AMCs.[98] However, if a participating State has a more expansive definition of AMCs than in Title XI (thereby encompassing State regulation of AMCs that are not within the Title XI definition of AMC), the State must ensure such AMCs are identified as such in the State database, just as States currently do for non-federally recognized credentials or designations. Only those AMCs that meet the Federal definition of AMC will be eligible to be on the AMC Registry.

#### C. Funding and Staffing

The Dodd-Frank Act amended Title XI to require the ASC to determine whether participating States have sufficient funding and staffing to meet their Title XI requirements. Compliance with this provision requires that a State must provide its AMC Program with funding and staffing sufficient to carry out its Title XI-related duties. The ASC evaluates the sufficiency of funding and staffing as part of its review of all aspects of an AMC Program's effectiveness, including the adequacy of State boards, committees, or commissions responsible for carrying out Title XI-related duties.

#### D. Minimum Requirements for Registration and Supervision of AMCs as Established by the AMC Rule

1. AMC Registration and Supervision

   If a State chooses to participate in the registration and supervision of AMCs in accordance with the AMC Rule, the State will be required to comply with the minimum requirements set forth in the AMC Rule. States should refer to the AMC Rule for compliance requirements[99] as this Policy Statement merely summarizes what the AMC Rule requires of participating States.

   (a) The AMC Rule includes requirements for participating States to establish and maintain within the State appraiser certifying and licensing agency an AMC

[97] Title XI § 1103 (a)(1)(B), 12 U.S.C. § 3332. AMC Rule means the interagency final rule on minimum requirements for State registration and supervision of AMCs (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26.

[98] Title XI as amended by the Dodd-Frank Act defines "appraisal management company" to mean, in part, an external third party that oversees a network or panel of more than 15 appraisers (State certified or licensed) in a State, or 25 or more appraisers nationally (two or more States) within a given year. (12 U.S.C. 3350(11)). Title XI as amended by the Dodd-Frank Act also allows States to adopt requirements in addition to those in the AMC Rule. (12 U.S.C. 3353(b)). For example, States may decide to supervise entities that provide appraisal management services, but do not meet the size thresholds of the Title XI definition of AMC. If a State has a more expansive regulatory framework that covers entities that provide appraisal management services but do not meet the Title XI definition of AMC, the State should only submit information regarding AMCs meeting the Title XI definition to the AMC Registry.

[99] *See* footnote 97.

Program with the legal authority and mechanisms to:

(1) Review and approve or deny AMC initial registration applications and/or renewals for registration;

(2) Examine records of AMCs and require AMCs to submit information;

(3) Verify that appraisers on AMCs' panels hold valid State credentials;

(4) Conduct investigations of AMCs to assess potential violations of appraisal-related laws, regulations, or orders;

(5) Discipline, suspend, terminate, or deny renewal of the registration of an AMC that violates appraisal-related laws, regulations, or orders; and

(6) Report an AMC's violation of appraisal-related laws, regulations, or orders, as well as disciplinary and enforcement actions and other relevant information about an AMC's operations, to the ASC.

(b) The AMC Rule includes requirements for participating States to impose requirements on AMCs that are not Federally regulated AMCs[100] to:

(1) Register with and be subject to supervision by the State appraiser certifying and licensing agency;

(2) Engage only State-certified or State-licensed appraisers for federally related transactions in conformity with any federally related transaction regulations;

(3) Establish and comply with processes and controls reasonably designed to ensure that the AMC, in engaging an appraiser, selects an appraiser who is independent of the transaction and who has the requisite education, expertise, and experience necessary to competently complete the appraisal assignment for the particular market and property type;

(4) Direct the appraiser to perform the assignment in accordance with USPAP; and

(5) Establish and comply with processes and controls reasonably designed to ensure that the AMC conducts its appraisal management services in accordance with the requirements of section 129E(a) through (i) of the Truth in Lending Act, 15 U.S.C. 1639e(a) through (i), and regulations thereunder.

**2. Ownership Limitations for State-registered AMCs**

A. Appraiser certification or licensing of Owners

An AMC subject to State registration shall not be registered by a State or included on the AMC Registry if such AMC, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for a substantive cause,[101] as determined by the State appraiser certifying and licensing agency. A State's process for review could, for example, be by questionnaire, or affidavit, or background screening, or otherwise. States must document to the file the State's method of review and the result.

B. Good Moral Character of Owners

An AMC shall not be registered by a State if any person that owns more than 10 percent of the AMC—

(1) Is determined by the State not to have good moral character; or

(2) Fails to submit to a background investigation carried out by the State.

[100] "Federally regulated AMCs," meaning AMCs that are subsidiaries owned and controlled by an insured depository institution or an insured credit union and regulated by a Federal financial institutions regulatory agency, are not required to register with the State (Title XI § 1124 (c), 12 U.S.C. § 3353(c)).

[101] An AMC subject to State registration is not barred from being registered by a State or included on the AMC Registry of AMCs if the license or certificate of the appraiser with an ownership interest was not revoked for a substantive cause and has been reinstated by the State or States in which the appraiser was licensed or certified. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26.



Q.119

A State's process for review could, for example, be by questionnaire, or affidavit, or background screening, or otherwise. The ASC would expect written documentation of the State's method of review and the result.

### 3. Requirements for Federally Regulated AMCs

Participating States are not required to identify Federally regulated AMCs[102] operating in their States, but rather the Federal financial institution regulatory agencies are responsible for requiring such AMCs to identify themselves to participating States and report required information.

A Federally regulated AMC shall not be included on the AMC Registry if such AMC, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for a substantive cause, as determined by the ASC.

## E. Summary of Requirements

1. Participating States must establish and maintain an AMC Program with the legal authority and mechanisms consistent with the AMC Rule.[103]
2. Participating States must impose requirements on AMCs consistent with the AMC Rule.[104]
3. Participating States must enforce and document ownership limitations for State-registered AMCs.[105]
4. Only those AMCs that meet the Federal definition of AMC will be eligible to be on the AMC Registry. Therefore, participating States that have a more expansive definition of AMCs than in the AMC Rule must ensure such non-Federally recognized AMCs are identified as such in the State database.[106]
5. States must have funding and staffing sufficient to carry out their Title XI-related duties. [107]

---

[102] *See* footnote 97.

[103] 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26.

[104] *Id.*

[105] *Id.*

[106] Title XI § 1118 (b), 12 U.S.C. § 3347.

[107] *Id.*

## POLICY STATEMENT 9

### National Registry of AMCs (AMC Registry)

#### A. Requirements for the AMC Registry

Title XI requires the ASC to maintain the AMC Registry of AMCs that are either registered with and subject to supervision of a participating State or are operating subsidiaries of a Federally regulated financial institution.[108] Title XI further requires the States to transmit to the ASC: (1) reports on a timely basis of supervisory activities involving AMCs, including investigations resulting in disciplinary action being taken; and (2) the registry fee as set by the ASC[109] from AMCs that are either registered with a participating State or are Federally regulated AMCs.[110]

As with appraiser registry fees, Title XI, § 1109(a)(4)(b) requires the AMC registry fee to be collected by each participating State and transmitted to the ASC. Therefore, as with appraisers, an AMC will pay a registry fee in each participating State in which the AMC operates. As with appraisers, an AMC operating in multiple participating States will pay a registry fee in multiple States in order to be on the AMC Registry for each State.

States must notify the ASC as soon as practicable if an AMC listed on the AMC Registry is no longer registered with or operating in the State. The ASC extranet application allows States to update their AMC information directly to the AMC Registry.

#### B. Registry Fee and Invoicing Policies

Each State must remit to the ASC the annual registry fee, as set by the ASC, for AMCs to be listed on the AMC Registry. Requests to prorate refunds or partial-year registrations will not be granted. If a State collects multiple-year fees for multiple-years, the State may choose to remit to the ASC the total amount of the multiple-year registry fees or the equivalent annual fee amount. The ASC will, however, record AMCs on the AMC Registry only for the number of years for which the ASC has received payment. States must reconcile and pay registry invoices in a timely manner (45 calendar days after receipt of the invoice).

#### C. Reporting Requirements

State agencies must report all disciplinary action[111] taken against an AMC to the ASC via the extranet application within 5 business days after the disciplinary action is final, as determined by State law. States not reporting via the extranet application must provide, in writing to the ASC, a description of the circumstances preventing compliance with this requirement. For the most serious disciplinary actions (*e.g.*, any action that interrupts an AMCs ability to provide appraisal management services), the AMCs status must be changed on the AMC Registry to "inactive." A Federally regulated AMC operating in a State must report to the State the information required to be submitted by the State to the ASC, pursuant to the ASC's policies regarding the determination of the AMC registry fee.

#### D. Access to AMC Registry Data

The ASC website provides free access to the public portion of the AMC Registry at www.asc.gov. The public portion of the AMC Registry data may be downloaded using predefined queries or user-customized applications.

Access to the full database, which includes non-public data (*e.g.*, certain disciplinary action information), is restricted to authorized State and Federal regulatory agencies. States must designate a senior official, such as an executive director, to serve as the State's Authorized Registry Official, and provide to the ASC, in writing, information regarding the designated Authorized Registry Official. States must ensure that the authorization information provided to the ASC is updated and accurate. States must adopt and implement a written policy to protect the right of access, as well as the ASC issued User Name and Password.

#### E. Summary of Requirements

1. States must reconcile and pay registry invoices in a timely manner (45 calendar days

[108] Title XI § 1103 (a) (6), 12 U.S.C. § 3332.

[109] Title XI § 1109 (a) (4), 12 U.S.C. § 3338.

[110] Title XI § 1109 (a) (3) and (4), 12 U.S.C. § 3338.

[111] *See* Appendix B, *Glossary of Terms*, for the definition of "disciplinary action."



Q.121

after receipt of the invoice).[112]

2. State agencies must report all disciplinary action taken against an AMC to the ASC via the extranet application within 5 business days after the disciplinary action is final, as determined by State law.[113]
3. States not reporting via the extranet application must provide, in writing to the ASC, a description of the circumstances preventing compliance with this requirement.[114]
4. For the most serious disciplinary actions (*e.g.*, any action that interrupts an AMC's ability to provide appraisal management services), the AMC's status must be changed on the AMC Registry to "inactive."[115]
5. States must notify the ASC as soon as practicable if an AMC listed on the AMC Registry is no longer registered with or operating in the State.
6. States must designate a senior official, such as an executive director, who will serve as the State's Authorized Registry Official, and provide to the ASC, in writing, information regarding the selected Authorized Registry Official, and any individual(s) authorized to act on their behalf. [116]
7. States must adopt and implement a written policy to protect the right of access to the AMC Registry, as well as the ASC issued User Name and Password.[117]
8. States must ensure the accuracy of all data submitted to the AMC Registry.[118]

---

[112] Title XI § 1118 (a), 12 U.S.C. § 3347; Title XI § 1109 (a), 12 U.S.C. § 3338.

[113] Title XI § 1118 (a), 12 U.S.C. § 3347.

[114] *Id.*

[115] *Id.*

[116] *Id.*

[117] *Id.*

[118] *Id.*

# POLICY STATEMENT 10

## State Agency Enforcement

### A. State Agency Regulatory Program

Title XI requires the ASC to monitor the States for the purpose of determining whether the State processes complaints and completes investigations in a reasonable time period, appropriately disciplines sanctioned AMCs and maintains an effective regulatory program.[119]

### B. Enforcement Process

States must ensure that the system for processing and investigating complaints[120] and sanctioning AMCs is administered in a timely, effective, consistent, equitable, and well-documented[121] manner.

#### 1. Timely Enforcement

States must process complaints against AMCs in a timely manner to ensure effective supervision of AMCs. Absent special documented circumstances, final administrative decisions regarding complaints must occur within one year (12 months) of the complaint filing date. Special documented circumstances are those extenuating circumstances (fully documented) beyond the control of the State agency that delays normal processing of a complaint such as: complaints involving a criminal investigation by a law enforcement agency when the investigative agency requests that the State refrain from proceeding; final disposition that has been appealed to a higher court; documented medical condition of the respondent; ancillary civil litigation; and complex fraud cases that involve multiple individuals and reports. Such special documented circumstances also include those periods when State rules require referral of a complaint to another State entity for review and the State agency is precluded from further processing of the complaint until it is returned. In that circumstance, the State agency should document the required referral and the time period during which the complaint was not under its control or authority.

#### 2. Effective Enforcement

Effective enforcement requires that States investigate complaints, and if allegations are proven, take appropriate disciplinary or remedial action.

#### 3. Consistent and Equitable Enforcement

Absent specific documented facts or considerations, substantially similar cases within a State should result in similar dispositions.

#### 4. Well-Documented Enforcement

States must obtain and maintain sufficient relevant documentation pertaining to a matter so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations.

a. Complaint Files

Complaint files must:

- include documentation outlining the progress of the investigation;
- include rationale for the final outcome of the case (*i.e.*, dismissal or imposition of discipline);
- include documentation explaining any delay in processing, investigation or adjudication;
- contain documentation that all ordered or agreed upon discipline is tracked and that completion of all terms is confirmed; and
- be organized in a manner that allows understanding of the steps taken throughout the complaint, investigation, and adjudicatory process.

b. Complaint Logs

[119] Title XI § 1118 (a), 12 U.S.C. § 3347.

[120] *See* Appendix B, *Glossary of Terms*, for the definition of "complaint."

[121] *See* Appendix B, *Glossary of Terms*, for the definition of "well-documented."



Q.123

States must track all complaints using a complaint log. The complaint log must record all complaints, regardless of their procedural status in the investigation and/or resolution process, including complaints pending before the State board, Office of the Attorney General, other law enforcement agencies, and/or offices of administrative hearings. The complaint log must include the following information (States are strongly encouraged to maintain this information in an electronic, sortable format):

1. Case number
2. Name of respondent
3. Actual date the complaint was received by the State
4. Source of complaint (e.g., consumer, lender, AMC, bank regulator, appraiser, hotline) or name of complainant
5. Current status of the complaint
6. Date the complaint was closed (e.g., final disposition by the administrative hearing agency, Office of the Attorney General, State AMC Program or Court of Appeals)
7. Method of disposition (e.g., dismissal, letter of warning, consent order, final order)

### C. Summary of Requirements

1. States must maintain relevant documentation to enable understanding of the facts and determinations in the matter and the reasons for those determinations.[122]
2. States must resolve all complaints filed against AMCs within one year (12 months) of the complaint filing date, except for special documented circumstances.[123]
3. States must ensure that the system for processing and investigating complaints and sanctioning AMCs is administered in an effective, consistent, equitable, and well-documented manner.[124]
4. States must track complaints of alleged AMC misconduct or wrongdoing using a complaint log.[125]
5. States must appropriately document enforcement files and include rationale.[126]

[122] Title XI § 1118 (a), 12 U.S.C. § 3347.

[123] *Id.*

[124] *Id.*

[125] *Id.*

[126] *Id.*



Q.124

## POLICY STATEMENT 11

### Statutory Implementation Period

Title XI and the AMC Rule set forth the statutory implementation period.[127] The AMC Rule was effective on August 10, 2015. As of 36 months from that date (August 10, 2018), an AMC may not provide appraisal management services for a federally related transaction in a non-participating State unless the AMC is a Federally regulated AMC. Appraisal management services may still be provided for federally related transactions in non-participating States by individual appraisers, by AMCs that are below the minimum statutory panel size threshold, and as noted, by Federally regulated AMCs.

The ASC, with the approval of the Federal Financial Institutions Examination Council (FFIEC), may extend this statutory implementation period for an additional 12 months if the ASC makes a finding that a State has made substantial progress toward implementing a registration and supervision program for AMCs that meets the standards of Title XI.[128]

[127] Title XI § 1124 (f)(1), 12 U.S.C. § 3353 and 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26.

[128] Title XI § 1124 (f)(2), 12 U.S.C. § 3353.



Q.125

# PART C: INTERIM SANCTIONS

## POLICY STATEMENT 12

### Interim Sanctions

#### A. Authority

Title XI grants the ASC authority to impose sanctions on a State that fails to have an effective Appraiser or AMC Program.[129] The ASC may remove a State credentialed appraiser or a registered AMC from the Appraiser or AMC Registry on an interim basis, not to exceed 90 days, pending State agency action on licensing, certification, registration and disciplinary proceedings as an alternative to or in advance of a non-recognition proceeding.[130] In determining whether an Appraiser or AMC Program is effective, the ASC shall conduct an analysis as required by Title XI. An ASC Finding of Poor on the Compliance Review Report[131] issued to a State at the conclusion of an ASC Compliance Review may trigger an analysis by the ASC for potential interim sanction(s). The following provisions apply to the exercise by the ASC of its authority to impose interim sanction(s) on State agencies.

#### B. Opportunity to be Heard or Correct Conditions

The ASC shall provide the State agency with:

1. written notice of intention to impose an interim sanction; and
2. opportunity to respond or to correct the conditions causing such notice to the State.

Notice and opportunity to respond or correct the conditions shall be in accordance with section C, *Procedures*.

#### C. Procedures

This section prescribes the ASC's procedures which will be followed in arriving at a decision by the ASC to impose an interim sanction against a State agency.

##### 1. Notice

The ASC shall provide a written Notice of intention to impose an interim sanction (Notice) to the State agency. The Notice shall contain the ASC's analysis as required by Title XI of the State's licensing and certification of appraisers, the registration of AMCs, the issuance of temporary licenses and certifications for appraisers, the receiving and tracking of submitted complaints against appraisers and AMCs, the investigation of complaints, and enforcement actions against appraisers and AMCs.[132] The ASC shall verify the State's date of receipt, and publish both the Notice and the State's date of receipt in the *Federal Register*.

##### 2. State Agency Response

Within 15 days of receipt of the Notice, the State may submit a response to the ASC's Executive Director. Alternatively, a State may submit a Notice Not to Contest with the ASC's Executive Director. The filing of a Notice Not to Contest shall not constitute a waiver of the right to a judicial review of the ASC's decision, findings and conclusions. Failure to file a Response within 15 days shall constitute authorization for the ASC to find the facts to be as presented in the Notice and analysis. The ASC, for good cause shown, may permit the filing of a Response after the prescribed time.

##### 3. Briefs, Memoranda and Statements

Within 45 days after the date of receipt by the State agency of the Notice as published in the *Federal Register*, the State agency may file with the ASC's Executive Director a written brief, memorandum or other statement providing factual data and policy and legal arguments regarding the matters set out in the Notice and analysis.

##### 4. Oral Presentations to the ASC

Within 45 days after the date of receipt by the

[129] Title XI § 1118 (a), 12 U.S.C. § 3347.

[130] *Id.*

[131] *See Appendix A – Compliance Review Process.*

[132] Title XI § 1118 (a), 12 U.S.C. § 3347.



Q.126

State agency of the Notice as published in the *Federal Register*, the State may file a request with the ASC's Executive Director to make oral presentation to the ASC. If the State has filed a request for oral presentation, the matter shall be heard within 45 days. An oral presentation shall be considered as an opportunity to offer, emphasize and clarify the facts, policies and laws concerning the proceeding, and is not a Meeting[133] of the ASC. On the appropriate date and time, the State agency will make the oral presentation before the ASC. Any ASC member may ask pertinent questions relating to the content of the oral presentation. Oral presentations will not be recorded or otherwise transcribed. Summary notes will be taken by ASC staff and made part of the record on which the ASC shall decide the matter.

**5. Conduct of Interim Sanction Proceedings**

(a) Written Submissions

All aspects of the proceeding shall be conducted by written submissions, with the exception of oral presentations allowed under subsection 4 above.

(b) Disqualification

An ASC member who deems himself or herself disqualified may at any time withdraw. Upon receipt of a timely and sufficient affidavit of personal bias or disqualification of such member, the ASC will rule on the matter as a part of the record.

(c) Authority of ASC Chairperson

The Chairperson of the ASC, in consultation with other members of the ASC whenever appropriate, shall have complete charge of the proceeding and shall have the duty to conduct it in a fair and impartial manner and to take all necessary action to avoid delay in the disposition of proceedings.

(d) Rules of Evidence

Except as is otherwise set forth in this section, relevant material and reliable evidence that is not unduly repetitive is admissible to the fullest extent authorized by the Administrative Procedure Act (5 U.S.C. §§ 551-559) and other applicable law.

**6. Decision of the ASC and Judicial Review**

Within 90 days after the date of receipt by the State agency of the Notice as published in the *Federal Register*, or in the case of oral presentation having been granted, within 30 days after presentation, the ASC shall issue a final decision, findings and conclusions and shall publish the decision promptly in the *Federal Register*. The final decision shall be effective on issuance. The ASC's Executive Director shall ensure prompt circulation of the decision to the State agency. A final decision of the ASC is a prerequisite to seeking judicial review.

**7. Computing Time**

Time computation is based on business days. The date of the act, event or default from which the designated period of time begins to run is not included. The last day is included unless it is a Saturday, Sunday, or Federal holiday, in which case the period runs until the end of the next day which is not a Saturday, Sunday or Federal holiday.

**8. Documents and Exhibits**

Unless otherwise provided by statute, all documents, papers and exhibits filed in connection with any proceeding, other than those that may be withheld from disclosure under applicable law, shall be placed by the ASC's Executive Director in the proceeding's file and will be available for public inspection and copying.

**9. Judicial Review**

A decision of the ASC under this section shall be subject to judicial review. The form of proceeding for judicial review may include any applicable form of legal action, including actions for declaratory judgments or writs of prohibitory or mandatory injunction in a court of competent jurisdiction.[134]

---

[133] The proceeding is more in the nature of a Briefing not subject to open meeting requirements. The presentation is an opportunity for the State to brief the ASC – to offer, emphasize and clarify the facts, policies and laws concerning the proceeding, and for the ASC members to ask questions. Additional consideration is given to the fact that this stage of the proceeding is pre-decisional.

[134] 5 U.S.C. § 703 - *Form and venue of proceeding*.



Q.127

# APPENDICES

## Appendix A – Compliance Review Process

The ASC monitors State Appraiser and AMC Programs for compliance with Title XI. The monitoring of State Programs is largely accomplished through on-site visits known as a Compliance Review (Review). A Review is conducted over a two- to four-day period, and is scheduled to coincide with a meeting of the Program's decision-making body whenever possible. ASC staff reviews the Appraiser Program and the seven compliance areas addressed in Policy Statements 1 through 7. ASC staff reviews a participating State's AMC Program and the three compliance areas addressed in Policy Statements 8 through 10. Sufficient documentation demonstrating compliance must be maintained by a State and made available for inspection during the Review. ASC staff reviews a sampling of documentation in each of the compliance areas. The sampling is intended to be representative of a State Program in its entirety.

Based on the Review, ASC staff provides the State with an ASC staff report for the Appraiser Program, and if applicable, an ASC staff report for the AMC Program, detailing preliminary findings. The State is given 60 days to respond to the ASC staff report(s). At the conclusion of the Review, a Compliance Review Report (Report) is issued to the State for the Appraiser Program, and if applicable, a Report is also issued for the AMC Program, with the ASC Finding on each Program's overall compliance, or lack thereof, with Title XI. Deficiencies resulting in non-compliance in any of the compliance areas are cited in the Report. "Areas of Concern" which potentially expose a Program to compliance issues in the future are also addressed in the Report. The ASC's final disposition is based upon the ASC staff report, the State's response and staff's recommendation.

The following chart provides an explanation of the ASC Findings and rating criteria for each ASC Finding category. The ASC Finding places particular emphasis on whether the State is maintaining an effective regulatory Program in compliance with Title XI.

| ASC FINDING | RATING CRITERIA | REVIEW CYCLE (PROGRAM HISTORY OR NATURE OF DEFICIENCY MAY WARRANT A MORE ACCELERATED REVIEW CYCLE.) |
|---|---|---|
| Excellent | • State meets all Title XI mandates and complies with requirements of ASC Policy Statements<br>• State maintains a strong regulatory Program<br>• Very low risk of Program failure | Two-year |
| Good | • State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements<br>• Deficiencies are minor in nature<br>• State is adequately addressing deficiencies identified and correcting them in the normal course of business<br>• State maintains an effective regulatory Program<br>• Low risk of Program failure | Two-year |
| Needs Improvement | • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements<br>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program<br>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies<br>• State regulatory Program needs improvement<br>• Moderate risk of Program failure | Two-year with additional monitoring |
| Not Satisfactory | • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements<br>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program<br>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing<br>• State regulatory Program has substantial deficiencies<br>• Substantial risk of Program failure | One-year |
| Poor[135] | • State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements<br>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program<br>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies<br>• High risk of Program failure | Continuous monitoring |

[135] An ASC Finding of "Poor" may result in significant consequences to the State. *See* Policy Statement 5, *Reciprocity*; *see also* Policy Statement 12, *Interim Sanctions*.



Q.129

The ASC has two primary Review Cycles: two-year and one-year. Most States are scheduled on a two-year Review Cycle. States may be moved to a one-year Review Cycle if the ASC determines more frequent on-site Reviews are needed to ensure that the State maintains an effective Program. Generally, States are placed on a one-year Review Cycle because of non-compliance issues or serious areas of concerns that warrant more frequent on-site visits. Both two-year and one-year Review Cycles include a review of all aspects of the State's Program.

The ASC may conduct Follow-up Reviews and additional monitoring. A Follow-up Review focuses only on specific areas identified during the previous on-site Review. Follow-up Reviews usually occur within 6-12 months of the previous Review. In addition, as a risk management tool, ASC staff identifies State Programs that may have a significant impact on the nation's appraiser regulatory system in the event of Title XI compliance issues. For States that represent a significant percentage of the credentials on the Appraiser Registry, ASC staff performs annual on-site Priority Contact visits. 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. This is not a complete Review of the Program. The ASC will also schedule a Priority Contact visit for a State when a specific concern is identified that requires special attention. Additional monitoring may be required where a deficiency is identified and reports on required or agreed upon corrective actions are required monthly or quarterly. Additional monitoring may include on-site monitoring as well as off-site monitoring.

## Appendix B – Glossary of Terms

**Appraisal management company (AMC):** Refers to, in connection with valuing properties collateralizing mortgage loans or mortgages incorporated into a securitization, any external third party authorized either by a creditor of a consumer credit transaction secured by a consumer's principal dwelling or by an underwriter of or other principal in the secondary mortgage markets, that oversees a network or panel of more than 15 certified or licensed appraisers in a State or 25 or more nationally within a given year—

(A) to recruit, select, and retain appraisers;

(B) to contract with licensed and certified appraisers to perform appraisal assignments;

(C) to manage the process of having an appraisal performed, including providing administrative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and underwriters, collecting fees from creditors and underwriters for services provided, and reimbursing appraisers for services performed; or

(D) to review and verify the work of appraisers.

**AQB Criteria:** Refers to the *Real Property Appraiser Qualification Criteria* as established by the Appraiser Qualifications Board of the Appraisal Foundation setting forth minimum education, experience and examination requirements for the licensure and certification of real property appraisers, and minimum requirements for "Trainee" and "Supervisory" appraisers.

**Assignment:** As referenced herein, for purposes of temporary practice, "assignment" means one or more real estate appraisals and written appraisal report(s) covered by a single contractual agreement.

**Complaint:** As referenced herein, any document filed with, received by, or serving as the basis for possible inquiry by the State agency regarding alleged violation of Title XI, Federal or State law or regulation, or USPAP by a credentialed appraiser or appraiser applicant, for allegations of unlicensed appraisal activity, or complaints involving AMCs. A complaint may be in the form of a referral, letter of inquiry, or other document alleging misconduct or wrongdoing.

**Credentialed appraisers:** Refers to State licensed, certified residential or certified general appraiser classifications.

**Disciplinary action:** As referenced herein, corrective or punitive action taken by or on behalf of a State agency which may be formal or informal, or may be consensual or involuntary, resulting in any of the following:

a. revocation of credential or registration

b. suspension of credential or registration

c. written consent agreements, orders or reprimands

d. probation or any other restriction on the use of a credential

e. fine

f. voluntary surrender[136]

g. other acts as defined by State statute or regulation as disciplinary

With the exception of voluntary surrender, suspension or revocation, such action may be exempt from reporting to the National Registry if defined by State statute, regulation or written policy as "non-disciplinary."

**Federally related transaction:** Refers to any real estate related financial transaction which:

a) a federal financial institutions regulatory agency engages in, contracts for, or regulates; and

b) requires the services of an appraiser. (See Title XI § 1121 (4), 12 U.S.C. § 3350.)

**Federal financial institutions regulatory agencies:** Refers to the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the National Credit Union Administration. (*See* Title XI § 1121 (6), 12 U.S.C. § 3350.)

**Home State agency:** As referenced herein, State agency or agencies that grant an appraiser a licensed or certified credential. Residency in the home State is not required. Appraisers may have

[136] A voluntary surrender that is not deemed disciplinary by State law or regulation, or is not related to any disciplinary process need not be reported as discipline provided the individual's Appraiser Registry record is updated to show the credential is inactive.



Q.131

more than one home State agency.

**Non- federally recognized credentials or designations:** Refers to any State appraiser credential or designation other than trainee, State licensed, certified residential or certified general classifications as defined in Policy Statement 1, and which is not recognized by Title XI.

**Real estate related financial transaction:** Any transaction involving:

a) the sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof;

b) the refinancing of real property or interests in real property; and

c) the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

(*See* Title XI § 1121 (5), 12 U.S.C. 3350.)

**State:** 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.)

**State board:** As referenced herein, "State board" means a group of individuals (usually appraisers, AMC representatives, bankers, consumers, and/or real estate professionals) appointed by the Governor or a similarly positioned State official to assist or oversee State Programs. A State agency may be headed by a board, commission or an individual.

**Uniform Standards of Professional Appraisal Practice (USPAP):** Refers to appraisal standards promulgated by the Appraisal Standards Board of the Appraisal Foundation establishing minimum requirements for development and reporting of appraisals, including real property appraisal. Title XI requires appraisals prepared by State certified and licensed appraisers to be performed in conformance with USPAP.

**Well-documented:** Means that States obtain and maintain sufficient relevant documentation pertaining to a matter so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations.

***Q.133***

Appraisal Subcommittee of the Federal Financial Institutions Examination Council
1325 G Street, NW
Suite 500
Washington, DC 20005
202-289-2735
https://www.asc.gov

# NEWSLETTER

The Appraisal FOUNDATION
Authorized by Congress as the Source of Appraisal Standards and Appraiser Qualifications

Greetings!

Summer is the season of applications here at the Foundation. We just closed the nomination process for the SAVVY Award, honoring a woman advancing the appraisal profession, and there are currently four groups that you can apply to join to be involved in our work.

The Appraisal Standards Board, Appraiser Qualifications Board, Personal Property Resource Panel, and Business Valuation Resource Panel are all seeking qualified applicants right now to assist them in their work developing standards and qualifications or providing feedback from their discipline's perspective. The Foundation relies on a constant stream of talent on each of these groups to carry out our congressionally authorized mission to develop standards and qualifications of excellence and to uphold public trust in the appraisal profession. If you are interested in applying, scroll down for details.

Applying and becoming a member of one of our boards, councils or panels isn't the only way to be involved in our work. In fact, one of the best ways to get involved is simply to attend one of our virtual or in person public meetings. These are fantastic opportunities to see the work of our boards up close and directly interact with our board members. These interactions drive all of the work our boards do so participation like this is essential.

Another way to get involved right now is to comment on the AQB's Concept Paper exploring the college degree requirement, which was issued with accompanying reference material. The deadline for comments is coming up at the end of this month, and your feedback is critical to the AQB's decision making process as they consider the next steps. Scroll down to get important links to read the concept paper, watch a webinar exploring its contents, or leave a comment.

Our work wouldn't be possible without your involvement. If you're looking for more ways to get involved, be sure to check out our **Get Involved** page on the website.

Finally, I would like to take a moment to reflect on the upcoming holiday week. Independence Day means a lot of things to so many people, but one of the things I am reflecting on this year is how independence is both a core American ideal and a tenet of the appraisal profession as well. Appraisers are called upon to develop fair, objective, unbiased opinions of value and this work product then underpins the biggest sector of our nation's economy.

Wishing you all a Happy Fourth of July and a great holiday weekend!

Sincerely,
Kelly Davids
President

## In This Newsletter

**From the President's Desk: A great time to get involved**

**Updates from the AQB**

**Apply to the AQB and ASB**

**Apply to the PPRP and BVRP**

**Partner Spotlight**

**CARE Applications**

**Appraiser Talk**

## Contact Us

T 202-347-7722

info@appraisalfoundation.org

www.appraisalfoundation.org

## Follow Us



Q.135

## Updates from the AQB

The Appraiser Qualifications Board has released a concept paper on the college degree requirement component of the qualification criteria. You can read the Concept Paper **here** and its accompanying reference material **here**. You can watch an AQB webinar on the concept paper **here**.

The public comment deadline will be July 27th. Click **here** to submit your comments.

## Apply to the AQB and ASB

The Appraisal Foundation has begun its annual search for qualified candidates to serve on the Appraiser Qualifications Board (AQB) and the Appraisal Standards Board (ASB). Each board may have up to nine members. There are up to four open seats on the AQB and up to three open seats on the ASB that are eligible for appointment or reappointment.

If you are interested in applying, please be sure to read the **Candidate Fact Sheet** to ensure you meet the requisite qualifications and be sure to fill out your application **here** before July 31st.

## Apply to the PPRP and BVRP

The Personal Property Resource Panel and Business Valuation Resource Panel are both seeking applicants for open seats in 2025. These resource panels are charged with providing feedback to the Foundation's boards from their unique discipline. Applications are due September 1st.

Apply **here** to the PPRP.

Apply **here** to the BVRP.

## Partner Spotlight

**National Association of Appraisers**
The National Association of Appraisers would like to introduce their newly elected President, Malinda Griffin, MNAA, with her vision of collaboration within the industry and between industry leaders. Her appointed team includes Vice President, Barry Phillips, MNAA out of South Carolina, Pamela Teel, Secretary, MNAA out of Texas, and Hal Humphrey, Treasurer, MNAA out of Tennessee. With the newest members of the board, Melissa Bond, MNAA, Mississippi, and Jeff Morely, MNAA, Utah, elected by the membership to lead the organization through the modernization of appraisals and appraisal organizations. We also would like to invite you to our flagship conference, The Appraisal Summit, in Las Vegas at Planet Hollywood, September 14-17, 2024, for pre-conference CE plus 14 hours of continuing education and an opportunity to meet and collaborate with appraisers nationwide. For more information, register at appraisalsummit.net.

## CARE Applications

The Council to Advance Residential Equity (CARE), a council of fair housing, consumer, and civil rights advocacy nonprofits, is now accepting applications to join. They have recently added three new member organizations, bringing the current membership to thirteen. Click **here** to learn more and apply.

## Appraiser Talk



Q.136

Stay up to date on Appraiser Talk!

You can check out all episodes **here**.

You can subscribe to Appraiser Talk on Spotify, Apple Podcasts or wherever you get your podcasts. If you have a question you'd like to hear answered on the show, email it to Amy Kaufman at amy@appraisalfoundation.org.



## About The Appraisal Foundation

The Appraisal Foundation is the nation’s foremost authority on the valuation profession. The organization sets the Congressionally authorized standards and qualifications for real estate appraisers, and provides voluntary guidance on recognized valuation methods and techniques for all valuation professionals. This work advances the profession by ensuring appraisals are independent, consistent, and objective. More information on The Appraisal Foundation is available at www.appraisalfoundation.org.




# No Findings Result from HUD Secretary-Initiated Complaint; Conciliation Agreement Signed

(Washington, DC) July 11, 2024 –The Appraisal Foundation concluded a conciliation agreement with the United States Department of Housing and Urban Development (HUD) following the completion of HUD's investigation of the Foundation's policies and practices and real property appraiser qualification criteria which began in December 2021 as the result of a rare secretary-initiated political complaint. No findings resulted from the two-and-a-half-year process.

"We are pleased to have reached this conciliation agreement," said Foundation President Kelly Davids. "We appreciate HUD's recognition of our proactive efforts to lead the appraisal profession to welcome a new, diverse generation of appraisers and their support of our forthcoming scholarship program to aid new entrants to the field."

Included in the agreement is a full list of the activities the Foundation has undertaken since 2020, a year prior to the start of the investigation, to promote diversity equity and inclusion in the appraisal profession. This includes:

- Creating a Diversity, Equity, and Inclusion (DEI) Special Committee to promote more diversity in the valuation profession.
- Hosting a national symposium on fair and affordable housing and appraisal bias.
- Implementing the outside DEI consultant's recommendations to promote diversity on The Appraisal Foundation boards.

- Pursuing initiatives with Historically Black Colleges and Universities (HBCU), Hispanic-Serving Institutions (HSI), and educational institutions that attract veterans to create educational programs for aspiring appraisers.
- Sponsoring the Appraiser Diversity Initiative, which supports outreach efforts of the Urban League, Fannie Mae, Freddie Mac, and the Appraisal Institute to attract new entrants to the residential appraisal field, foster diversity, and assist with education, training, and experience.
- Creating a pathway to become an appraiser and reach the certified appraiser level of credential that does not require a college degree.
- Developing a Position Paper, in conjunction with subject matter experts, on Reconsideration of Value that offers proposed best practices for those who wish to build a more relationship-driven and consistent method.
- Creating the Council to Advance Residential Equity that brings previously unrecognized stakeholders with a mission of civil rights, fair housing, or consumer advocacy to the table to provide input on proposed changes to standards and qualifications.
- Instituting a new process for the public to submit comments, questions, and requests for the boards on any topic at any time.
- Adopting the 2024 edition of the Uniform Standards of Professional Appraisal Practice™ (USPAP) which includes a new Nondiscrimination section of the Ethics Rule drafted in consultation with fair housing law firm Relman Colfax PLLC, making it clear that appraisers cannot act with bias and must adhere to all relevant fair housing laws.
- Including case studies in the 2024-2025 7-Hour National USPAP Update Course aligned with the new Nondiscrimination section of the Ethics Rule, written in consultation with Relman Colfax.
- Adopting and promoting a new, technology-based pathway for aspiring appraisers to obtain experience credit towards fulfilling the experience qualification criteria for becoming an appraiser called the Practical Applications of Real Estate Appraisal™ program (PAREA).
- Supporting the approval of the PAREA™ modules as a simulated training alternative for aspiring appraisers to fulfill their experience requirements in 48 states and counting.
- Funding the development of a PAREA™ module through the Pathways to Success Initiative that prioritizes serving aspiring appraisers who are people of color, veterans, or those who wish to work in underserved communities.
- Adopting changes to the *Real Property Appraisal Qualification Criteria* that requires valuation bias and fair housing laws and regulations education for incoming and existing credential holders.
- Designing resources for consumers to learn more about the appraisal process and how to proceed if they need to make a complaint.
- Making significant changes to the Board of Trustees governance structure that includes expanded public interest seats and the separation of financial support from trustee appointment authority, with specific composition goals that include consumer, fair housing, and civil rights advocates; and

- Undertaking a second demographic survey of the profession to inform a longitudinal study on diversity across the appraisal profession.

The agreement also provides details on the Foundation's upcoming scholarship program. This program, a continuation of the Foundation's Pathway to Success initiative with funding aided by grants and donor contributions, will support aspiring appraisers who are completing their experience requirements through Practical Application of Real Estate Appraisal™ modules. More details, including eligibility and how to apply, will be shared when the program is formally announced.

Read the Conciliation Agreement

---

---

The Appraisal Foundation is the nation's foremost authority on the valuation profession. The organization sets the Congressionally-authorized standards and qualifications for real estate appraisers, and provides voluntary guidance on recognized valuation methods and techniques for all valuation professionals. This work advances the profession by ensuring that appraisals are independent, consistent, and objective. More information on The Appraisal Foundation is available at www.appraisalfoundation.org.

**Manage Your Subscription**

This message was sent to **tyler.kohtz@nebraska.gov** from **news@appraisalfoundation.org**

The Appraisal Foundation
1155 15th Street NW STE 1111
Washington, DC 20005

iContact
Engage, Wow, and grow your audience

Docusign Envelope ID: EF958F69-577C-47E6-B5C6-2632E01A8DA1

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

# CONCILIATION AGREEMENT

Between

The U.S. Department of Housing and Urban Development
(Complainant)

And

The Appraisal Foundation
(Respondent)

Under
Title VIII of the Civil Rights Act of 1968 (Fair Housing Act)

HUD CASE NUMBER: 00-24-4772-8

FHEO INQUIRY NUMBER: 668025

Effective Date of Agreement: 07/10/2024

Expiration Date of Agreement: 07/09/2027

Docusign Envelope ID: EF958F69-577C-47E6-B5C6-2632E01A8DA1

## A. PARTIES

1. The parties in this matter are the U.S. Department of Housing and Urban Development (sometimes referred to herein as "the Department" or "HUD") and The Appraisal Foundation (sometimes referred to herein as "The Appraisal Foundation" or "Respondent") (each a "Party" and together the "Parties").

## B. BACKGROUND

2. On December 3, 2021, the Office of Systemic Investigations ("OSI") opened an investigation to determine whether the Respondent's policies and practices, including the Real Property Appraiser Qualification Criteria ("Appraiser Qualification Criteria"), have resulted in violations of Section 806 of Fair Housing Act, 42 U.S.C. § 3606 ("Investigation"). Specifically, OSI investigated whether the Respondent's Appraiser Qualification Criteria established by the Appraiser Qualification Board ("AQB") of the Respondent has resulted in a disparate racial impact on entry into the appraiser profession. The Investigation focused on requirements for a supervisor, an amount of experience, and education. The Respondent has cooperated with the Investigation and HUD has issued no findings or conclusions as a result of this Investigation. Respondent denies that the Appraiser Qualification Criteria has caused or resulted in any violation of the Fair Housing Act, but agrees to enter into this Conciliation Agreement to conclude the Investigation.

3. Since the Respondent's formation in 1989, the AQB has established and made changes to the Appraiser Qualification Criteria using a "notice and comment" type procedure in which the public, interested stakeholders, and state and federal government agencies are invited to participate. Since 1989, under 12 U.S.C. § 3345, the Appraiser Qualification Criteria has set the minimum qualifications required by all States in the licensing of real estate appraisers.

4. Respondent states that it and its independent boards, the AQB and Appraisal Standards Board ("ASB"), have demonstrated significant efforts to: (1) promote and increase diversity and inclusion in the appraiser profession and (2) eliminate discrimination in appraisals. These efforts include:
   - Creating a Diversity, Equity, and Inclusion ("DEI") Special Committee to promote more diversity in the valuation profession.
   - Hosting a national symposium on fair and affordable housing and appraisal bias.
   - Implementing the outside DEI consultant's recommendations to promote diversity on The Appraisal Foundation boards.
   - Pursuing initiatives with Historically Black Colleges and Universities ("HBCU"), Hispanic-Serving Institutions ("HSI"), and educational institutions that attract veterans to create educational programs for aspiring appraisers.
   - Sponsoring the Appraiser Diversity Initiative, which supports outreach efforts of the Urban League, Fannie Mae, Freddie Mac, and the Appraisal Institute to attract new entrants to the residential appraisal field, foster diversity, and assist with education, training, and experience.

Docusign Envelope ID: EF958F69-577C-47E6-B5C6-2632E01A8DA1

- Creating a pathway to become an appraiser and reach the certified appraiser level of credential that does not require a college degree.
- Developing a White Paper, in conjunction with subject matter experts, on Reconsideration of Value that offers proposed best practices for those who wish to build a more relationship-driven and consistent method.
- Creating the Council to Advance Residential Equity that brings previously unrecognized stakeholders with a mission of civil rights, fair housing, or consumer advocacy to the table to provide input on proposed changes to standards and qualifications.
- Instituting a new process for the public to submit comments, questions, and requests for the boards on any topic at any time.
- Adopting the 2024 edition of the Uniform Standards of Professional Appraisal Practice (USPAP) which includes a new Nondiscrimination section of the Ethics Rule drafted in consultation with fair housing law firm Relman Colfax PLLC, making it clear that appraisers cannot act with bias and must adhere to all relevant fair housing laws.
- Including case studies in the 2024-2025 7-Hour National USPAP Update Course aligned with the new Nondiscrimination section of the Ethics Rule, written in consultation with Relman Colfax.
- Adopting and promoting a new, technology-based pathway for aspiring appraisers to obtain experience credit towards fulfilling the experience qualification criteria for becoming an appraiser called the Practical Applications of Real Estate Appraisal program ("PAREA").
- Supporting the approval of the PAREA modules as a simulated training alternative for aspiring appraisers to fulfill their experience requirements in 48 states and counting.
- Funding the development of a PAREA module through the Pathways to Success Initiative that prioritizes serving aspiring appraisers who are people of color, veterans, or those who wish to work in underserved communities.
- Adopting changes to the *Real Property Appraisal Qualification Criteria* that requires valuation bias and fair housing laws and regulations education for incoming and existing credential holders.
- Designing resources for consumers to learn more about the appraisal process and how to proceed if they need to make a complaint.
- Making significant changes to the Board of Trustees governance structure that includes expanded public interest seats and the separation of financial support from trustee appointment authority, with specific composition goals that include consumer, fair housing, and civil rights advocates; and
- Undertaking a second demographic survey of the profession to inform a longitudinal study on diversity across the appraisal profession.

5. Respondent avers that it has not violated the Act nor engaged in any discrimination on the basis of race, national origin, nor any other prohibited basis, and confirms its position that the Appraiser Qualification Criteria does not violate and has not caused a violation of the Fair Housing Act. Respondent confirms that it is committed to the principles of home ownership, fair housing, and equal opportunity, and has invested

Docusign Envelope ID: EF958F69-577C-47E6-B5C6-2632E01A8DA1

and will continue to invest substantial resources and efforts to promote diversity and inclusion in the appraiser profession. To promote ease of entry into the appraiser profession while maintaining public trust in the competency of the profession, Respondent and the AQB established PAREA to provide additional avenues to comply with the experience requirements contained in the Appraiser Qualification Criteria. In connection with this, The Appraisal Foundation provided a grant to the Appraisal Institute and the National Society of Real Estate Appraisers, the nation's largest and oldest professional association of black real estate appraisers, for use in creating a PAREA program. Respondent enters into this Conciliation Agreement ("Agreement") as (i) an additional step to further demonstrate its commitment to Diversity, Inclusion, and Fair Housing; (ii) for the purpose of obtaining administrative closure of this matter to preserve funds for the advancement of the appraisal profession; and (iii) to memorialize its prior commitments to provide important and valuable assistance to prospective or aspiring appraisers of color.

## C. TERMS OF THE AGREEMENT

6. This Agreement shall govern the conduct of the Parties for a period of three (3) years from its effective date. All disbursements, training, and activities that Respondent performs during the term of this Agreement that satisfy the requirements of Section F of this Agreement, including any disbursements, training, or activities that also may be included in Respondent's current or future plans, are to be counted towards the satisfaction of the provisions of this Agreement with sufficient documentation and/or records.

## D. EFFECTIVE DATE

7. The Parties expressly agree that this Agreement constitutes neither a binding contract under state or federal law nor a Conciliation Agreement pursuant to the Act, until such a time as it is approved by the Department, through the OSI Director, or his designee.

8. This Agreement shall become effective on the date on which it is approved by the OSI Director, or his designee.

## E. GENERAL PROVISIONS

9. The Parties acknowledge that this Agreement is voluntary and constitutes a full settlement of the Investigation, including the issues of whether the Appraisal Foundation policies and the Real Property Appraisal Qualification Criteria violate Section 806 of the Fair Housing Act. The Parties affirm that they have read and fully understand the terms set forth herein. No Party has been coerced, intimidated, threatened, or in any way forced to become a Party to this Agreement. Each person who signs this Agreement in a representative capacity, warrants that his or her execution of this Agreement is duly authorized, executed, and delivered by and for the entity for which he or she signs.

Docusign Envelope ID: EF958F69-577C-47E6-B5C6-2632E01A8DA1

10. This Agreement, after it has been approved by the Department, through the OSI Director, or his designee, is binding upon HUD and the Respondent, and their respective officers, directors, agents, employees, successors, and assignees.

11. Pursuant to Section 810(b)(4) of the Act, this Agreement shall become a public document upon approval of the Department, through the OSI Director, or his designee, conditioned upon the prior mutual execution of the Agreement by the Parties.

12. This Agreement does not in any way limit or restrict the Department's authority to investigate a complaint involving Respondent made by an individual or private entity or any other complaint involving Respondent pursuant to the Act, or any other complaint within the Department's jurisdiction. This Agreement does not create any private right of action for any person or class of persons nor any right to enforce the terms of this Agreement by any person, class of persons or entity not a party to this Agreement.

13. No amendment to, modification of, or waiver of any provisions of this Agreement shall be effective unless: (a) all signatories or their successors to the Agreement agree to the amendment, modification, or waiver; (b) the amendment, modification or waiver is in writing; and (c) the amendment, modification or waiver is approved and signed by a duly authorized representative of the Department and the Respondent.

14. The Parties agree that the execution of this Agreement may be accomplished by separate execution of consents to this Agreement and that the original executed signature pages attached to the body of the Agreement constitute one document.

15. It is understood that the Agreement does not constitute an admission by Respondent of any violation of the Act or any other federal or state statute or regulation, nor does the Agreement constitute evidence of a determination by the Department of any violation of the Act or other federal statute or regulation.

## F. RELIEF IN THE PUBLIC INTEREST

### PAREA Enhancements

16. Within ninety (90) days of the effective date of this Agreement, Respondent, pursuant to its Bylaws, shall request that the AQB consider, pursuant to its governance procedures, adopting the following changes:

    a. Amend the AQB's PAREA implementation policies to provide that:

        i. Prior to working with trainees, mentors shall complete a course which meets the content requirements of the Valuation Bias and Fair Housing Laws and Regulations Outline as adopted by the AQB.

Docusign Envelope ID: EF958F69-577C-47E6-B5C6-2632E01A8DA1

ii. PAREA program providers will track PAREA program applications.

iii. PAREA providers shall include diverse communities in their outreach and marketing efforts by taking steps to market PAREA programs and solicit applications from persons who are members of diverse communities. Such marketing steps shall include targeted advertising or outreach to organizations that serve persons of color such as community organizations, Minority Serving Institutions, places of worship, employment centers, or fair housing groups that serve persons of color. Each PAREA provider will implement the following practices:

1. Keep records describing actions taken by the participating PAREA providers to market the program to members of diverse communities.

2. Annually assess the success of efforts to market its program to members of diverse communities.

3. Include the fair housing logo and a non-discrimination statement on all marketing and outreach materials.

4. All records of PAREA providers' actions as outlined in Section iii. 1, 2, and 3 shall be made available to Respondent, who will make them available to HUD upon request.

iv. PAREA program policies regarding mentor review of participant work shall be updated to require standardized methods to measure participant understanding during mentor-participant check-in.

v. PAREA approval will require PAREA program providers to annually report to the AQB, the number of applications by qualified applicants received requesting entry into the PAREA program, and whether all of them were able to be accommodated at the time of their application.

vi. If, at any time, a PAREA program provider has been determined by a federal court to have violated any fair housing laws and/or regulations, by final judgment from which appeal is unavailable, it will lose its AQB approval to be a PAREA provider until it puts into place mechanisms designed to prevent future violations of fair housing laws and/or regulations.

17. Within ninety (90) days of the effective date of this Agreement, Respondent agrees to prominently display the "Equal Housing Opportunity" logo on its website, and the website will also include online information related to the process of becoming an appraiser and PAREA. Respondent also agrees to include a non-discrimination statement on its website that Respondent does not discriminate based on race, color, religion, national origin, sex (including sexual orientation and gender identity),

Docusign Envelope ID: EF958F69-577C-47E6-B5C6-2632E01A8DA1

disability, or familial status. This statement will include contact information for the Office of Fair Housing and Equal Opportunity, U.S. Department of Housing and Urban Development. For example:

> The Fair Housing Act makes it unlawful to discriminate on the basis of race, color, national origin, religion, sex (including sexual orientation and gender identity), familial status, or disability. The Act also makes it unlawful to coerce, intimidate, or retaliate against any person in the exercise or enjoyment of, on account of their having exercised or enjoyed, or on account of their having aided or encouraged any other person in the exercise or enjoyment of any right granted or protected by the Act. If you believe you have experienced discrimination, you have the right to file a complaint with HUD by phone at 1-800-669-9777 or online at https://www.hud.gov/fairhousing/fileacomplaint.

18. Within one hundred and eighty days (180) days of the effective date of this Agreement, Respondent will develop and place a survey on its website, which will allow individuals to indicate any reason they may have had for deciding not to pursue PAREA, including why they did not apply for a scholarship.

19. Respondent will provide HUD with the PAREA provider implementation policies for the next two (2) years, including statistics compiled by PAREA providers, if those statistics are available.

20. The Appraisal Foundation will support the marketing efforts of its PAREA scholarship fund administered by its third-party, HUD-approved administrator, by informing HBCUs of the scholarship though a written announcement of the scholarship sent to all HBCUs.

**Coordination with State Appraiser Regulatory Agencies**

21. Within ninety (90) days of the effective date of this Agreement, Respondent shall:

    a. Communicate with each U.S. state and territory appraiser regulatory agency that has not yet fully approved PAREA, to recommend that each adopt licensing criteria that provide 100 percent credit towards the experience requirement for a Licensed Appraiser and Certified Residential Appraiser for the successful completion of the respective AQB-approved PAREA program for Licensed Appraisers and/or Certified Residential Appraisers.

    b. Meet with state and territory appraiser regulatory agencies virtually or by phone to advise of the importance of PAREA in opening doors to the appraiser profession for states and territories that have not yet already fully adopted PAREA, or that have adopted PAREA, but imposed additional state- or territory-specific experience requirements.

Docusign Envelope ID: EF958F69-577C-47E6-B5C6-2632E01A8DA1

**Funding and Outreach**

22. Within one hundred eighty (180) days of the effective date of this Agreement, Respondent will establish a Pathways to Success Scholarship Fund ("Scholarship") administered by a third-party to be approved by HUD, which fund will be used to provide scholarship assistance to aspiring appraisers. If the relationship with the approved third-party administrator terminates for any reason, within 60 days of the termination, the Foundation will propose a new administrator to be approved by HUD.

23. Respondent further agrees that it will contribute a minimum of $560,000 per year (of either its own funds or funds Respondent raises from or receives from other persons or entities) to the Scholarship for a total of two (2) years. Respondent further agrees that it will contribute a minimum of $100,000 in the third year of the Agreement (of either its own funds or funds Respondent raises from or receives from other persons or entities) to the Scholarship. In total, Respondent commits to contributing a minimum of $1.22 million (from its own funds or other sources) to the Scholarship over the three (3) year period to be utilized to fund the program cost for candidates to attend AQB-approved PAREA programs.

24. Consistent with the goals of this Conciliation Agreement, Respondent shall negotiate the third-party agreement for the administration of the scholarship to include terms requiring marketing/promoting the scholarship opportunities through any qualified entity that the Respondent may select, subject to HUD approval. The third-party agreement shall also include terms specifying that scholarships may be used for attendance in any AQB-approved PAREA program.

    a. Respondent will keep records describing actions taken by its third-party administrator to publicize the Scholarship program and will annually assess the effectiveness of these efforts to inform and solicit applications by potential aspiring appraisers, including aspiring Black appraisers.

    b. All marketing and outreach materials to aspiring appraisers related to the Scholarship program will include the fair housing logo and non-discrimination statement.

25. Respondent intends to contribute to the Scholarship fund even after the expiration of the three-year term of this Agreement and after the expenditure of the $1.22 million.

26. For three (3) years, Respondent shall annually report to HUD, using a unique numeric identification number for each scholarship awardee, the zip codes of the scholarship awardees, the amount of scholarship funded for each awardee, the AQB-approved PAREA program for which the scholarship funded the attendance, and the status of the awardees' participation in the PAREA program, as indicated by whether the awardee successfully completed the PAREA program.

Docusign Envelope ID: EF958F69-577C-47E6-B5C6-2632E01A8DA1

**Additional Public Interest Provisions**

27. Within ninety (90) days of the effective date of this Agreement, Respondent agrees to update its Code of Conduct for Organizations and Individuals affiliated with the Foundation to clarify that the current policy's professional and ethical conduct requirement of compliance with federal, state, and local laws specifically includes fair housing laws. The updated Code of Conduct will be submitted to HUD.

28. In its annual report to HUD during the three (3) year term of this Agreement, Respondent will report on the work of its Council to Advance Residential Equity ("CARE") and the input it has received from CARE organizations and other fair housing, civil rights, and consumer advocates.

29. Within one hundred eighty (180) days of the effective date of this Agreement, Respondent will have all staff and members of the AQB complete one, four (4) hour training in Fair Housing, which must include appraisal bias as a topic. Respondent will send to HUD confirmation that the training has been completed.

30. During the term of this Agreement, Respondent agrees to continue engaging legal counsel that specializes in fair housing and civil rights to review proposed updates to the Appraiser Qualifications Criteria.

31. For a three (3) year period following the approval of this Agreement, Respondent shall provide an annual report to HUD on its compliance with this Agreement's terms. Respondent shall submit the annual report each year within forty-five (45) days of the anniversary of the effective date of this Agreement. Each annual report shall include a complete account of Respondent's actions to comply with this Agreement.

## G. REPORTING

32. Any report or information submission required under this Agreement shall be sent by Respondent to HUD via email to yana.karnaukhov@hud.gov and hugh.j.mcglincy@hud.gov.

## H. MONITORING

33. During the term of this Agreement, the Department may review compliance with Section F of this Agreement. As part of such review, to the extent that the Department has demonstrated good cause to believe that a breach of the Agreement has occurred, and upon reasonable notice to counsel for Respondent, the Respondent shall provide copies of all non-privileged records pertinent to determining compliance with the Agreement. However, the Department agrees to exercise good faith and reasonableness in determining the scope of any requests such that the requests are proportionate to a reasonable review for compliance with the Agreement. The Respondent agrees to provide good faith cooperation in any review undertaken by the Department to ensure compliance with this Agreement.

Docusign Envelope ID: EF958F69-577C-47E6-B5C6-2632E01A8DA1

## I. MUTUAL RELEASE

34. Respondent, together with its affiliates, officers, trustees, agents, employees, assigns and successors-in-interest hereby forever waive, release, and covenant not to sue the Department, and their respective heirs, executors, assigns, officers, directors, agents, employees and attorneys as well as any successors-in-interest, or pursue any administrative action or civil action, with regard to any and all claims, damages and injuries of whatever nature whether presently known or unknown, arising out of the subject matter of the Investigation, or which could have been filed in any action or suit arising from said subject matter, and which accrued through the effective date of this Agreement.

35. With the execution of this Agreement, HUD's Assistant Secretary for Fair Housing and Equal Opportunity shall cease all investigation and enforcement activities arising out of its investigation of The Appraisal Foundation, including its investigation of whether Foundation policies and the Real Property Appraisal Qualification Criteria violate Section 806 of the Fair Housing Act.

## J. CONSEQUENCES OF BREACH

36. Whenever the Department has reasonable cause to believe that Respondent has breached this Agreement, the Department shall first notify Respondent and provide Respondent with a detailed description of the alleged breach(es). Respondent shall have at least thirty (30) days to respond and/or correct such alleged breach(es) before the Department pursues any further action.

37. In the event the Respondent has not corrected a breach of the Agreement within the time the Department sets in the preceding paragraph, or the Respondent denies that such a breach has occurred, the matter shall be referred to the Attorney General of the United States, to commence a civil action in the appropriate U.S. District Court, pursuant to subsections 810(c) and of the Act. Respondent reserves its right to bring an action under the Administrative Procedures Act or any other applicable statute should the parties disagree on whether a breach by either party has occurred.

Docusign Envelope ID: EF958F69-577C-47E6-B5C6-2632E01A8DA1

## K. SIGNATURES

Demetria L. McCain — 06/25/2024

Demetria McCain, Principal Deputy Assistant Secretary
Office of Fair Housing and Equal Opportunity
(Complainant)

Date

Kelly Davids — 06/24/2024

Kelly Davids
President
The Appraisal Foundation
(Respondent)

Date

## L. APPROVAL

Robert Doles — 07/10/2024

Robert A. Doles
Director
Office of Systemic Investigations

Date