PUBLIC MEETING OF THE NEBRASKA REAL PROPERTY APPRAISER BOARD
Thursday, July 17, 2025, 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 11:00 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 1-9
1. New Applicants for Certified General Credential through Education, Experience, and Examination
   a. CG25011
2. Pending Applications
   a. CG24001
3. Applicants for Renewal of Real Property Appraiser Credential
   a. CG2021003R

D. Registration as an Appraisal Management Company
1. Applicants for Renewal of Appraisal Management Company Registration
   a. NE2012088 1-5

E. Compliance Matters 1
1. New Grievances
   a. 25-06
2. Post-Board Action Matters
   a. 23-01

F. Other Executive Session Items 1
1. General
   a. 2025.08
   b. 2025.09
   c. 2025.10
   d. 2025.11
2. Personnel

G. Welcome and Chair's Remarks (Public Agenda 11:00 a.m.)

H. Board Meeting Minutes
1. Approval of June 17, 2025 Strategic Planning Meeting Minutes 1-29
2. Approval of June 18, 2025 Meeting Minutes 30-41

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
   c. Temporary Real Property Appraiser Report 6
   d. Supervisory Real Property Appraiser Report 7
   e. Appraisal Management Company Report 8
2. Director Approval of Applicants
   a. Real Property Appraiser Report 9
   b. Education Activity and Instructor(s) Report 10
3. 2025-26 NRPAB Goals and Objectives + SWOT Analysis 11

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. FY 2025-2026 Budget 20-28
3. ASC SARAS Grant Report
   a. FY24 Budget Status Report 29
   b. FY25 SARAS Federal Grant Continuation Request Submission
   c. FY26 SARAS NOFA 30-44
4. Per Diems

K. General Public Comments

L. Education

M. Unfinished Business

N. New Business

1. State Harmonization Task Force at The Appraisal Foundation (appearance) 1-23
2. Explore Separate Fee Structure for Credentialing Through Reciprocity 24-28

O. Legislative Report and Business

1. Other Legislative Matters

P. Administrative Business

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

Q. Other Business

1. Board Meetings
   a. October Board Meeting
2. Conferences/Education
   a. Fall AARO Conference; October 6-8, 2025 – Atlanta, GA 1
3. Memos from the Board
4. Quarterly Newsletter
5. Appraisal Subcommittee

a. ASC Quarterly Meeting: September 10, 2025 (Online)
b. ASC November 20, 2024 Meeting Minutes 2-8
c. ASC Annual Report 2024 9-145

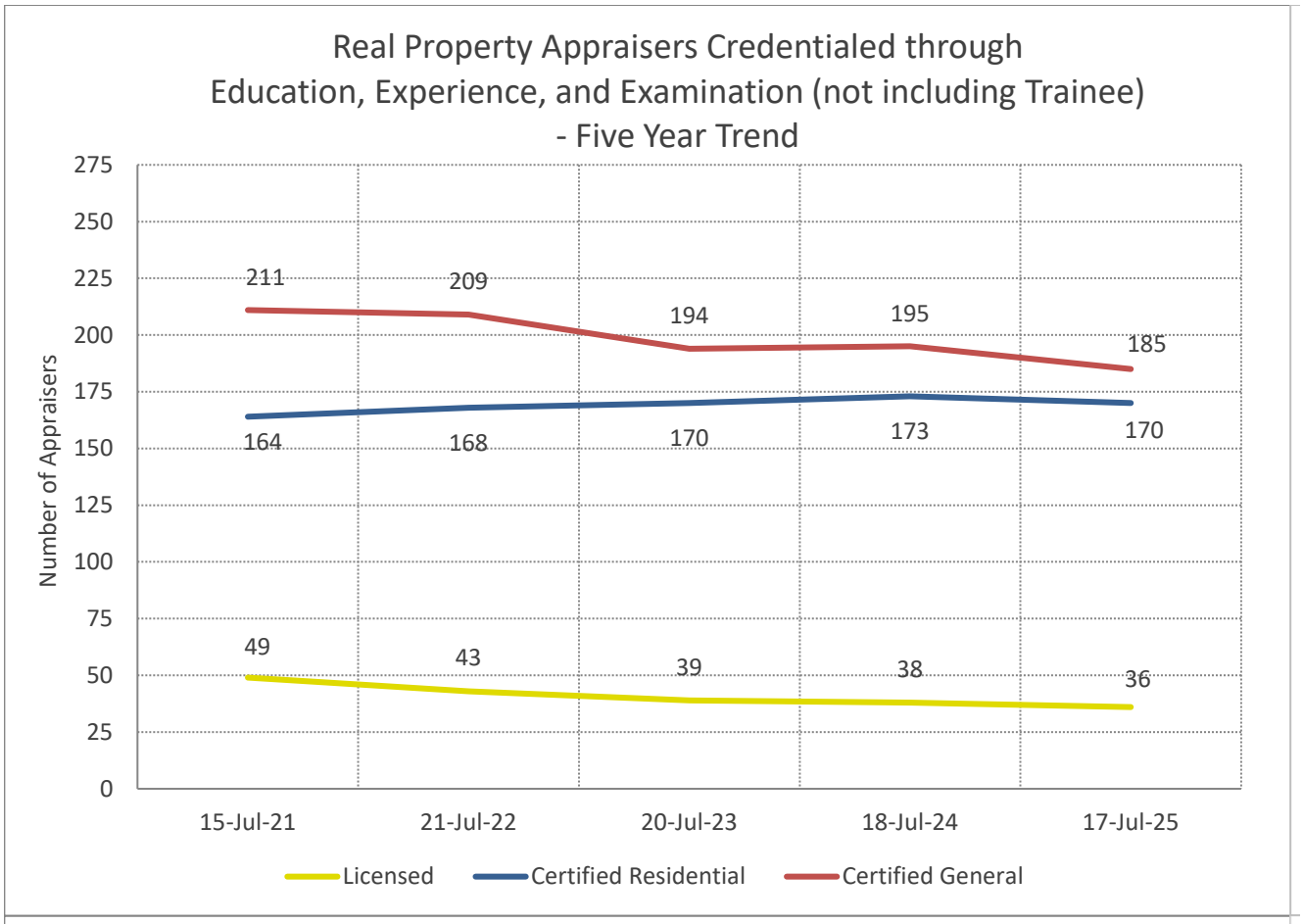
6. The Appraisal Foundation
   a. TAF July Newsletter 146-148
   b. TAF State Regulator Newsletter 149-150
   c. TAF Seeks Candidates for the AQB and the ASB 151-152
7. Association of Appraiser Regulatory Officials
8. Government-Sponsored Enterprises
   a. Fannie Mae
   b. Freddie Mac
9. In the News

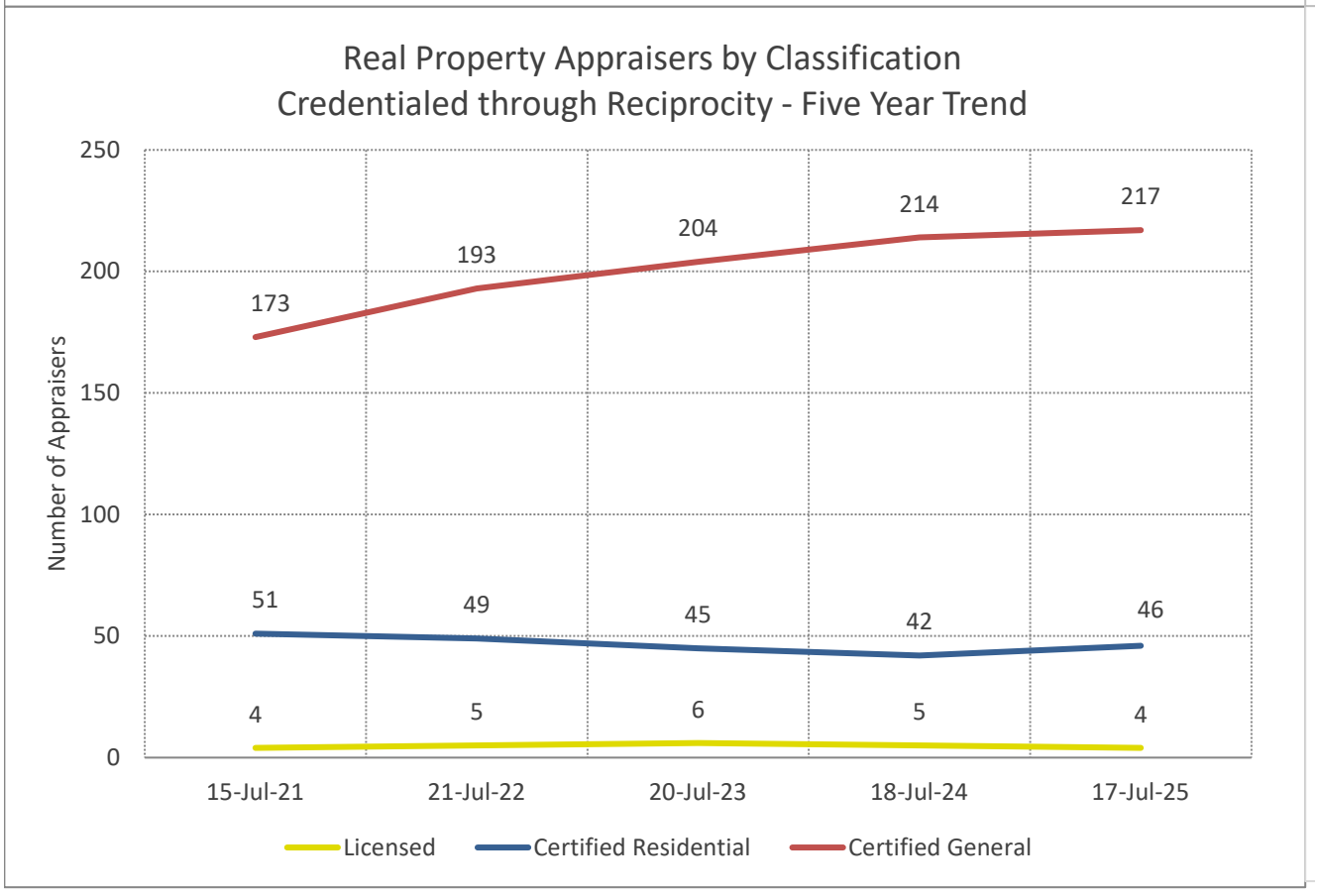
R. Adjourn

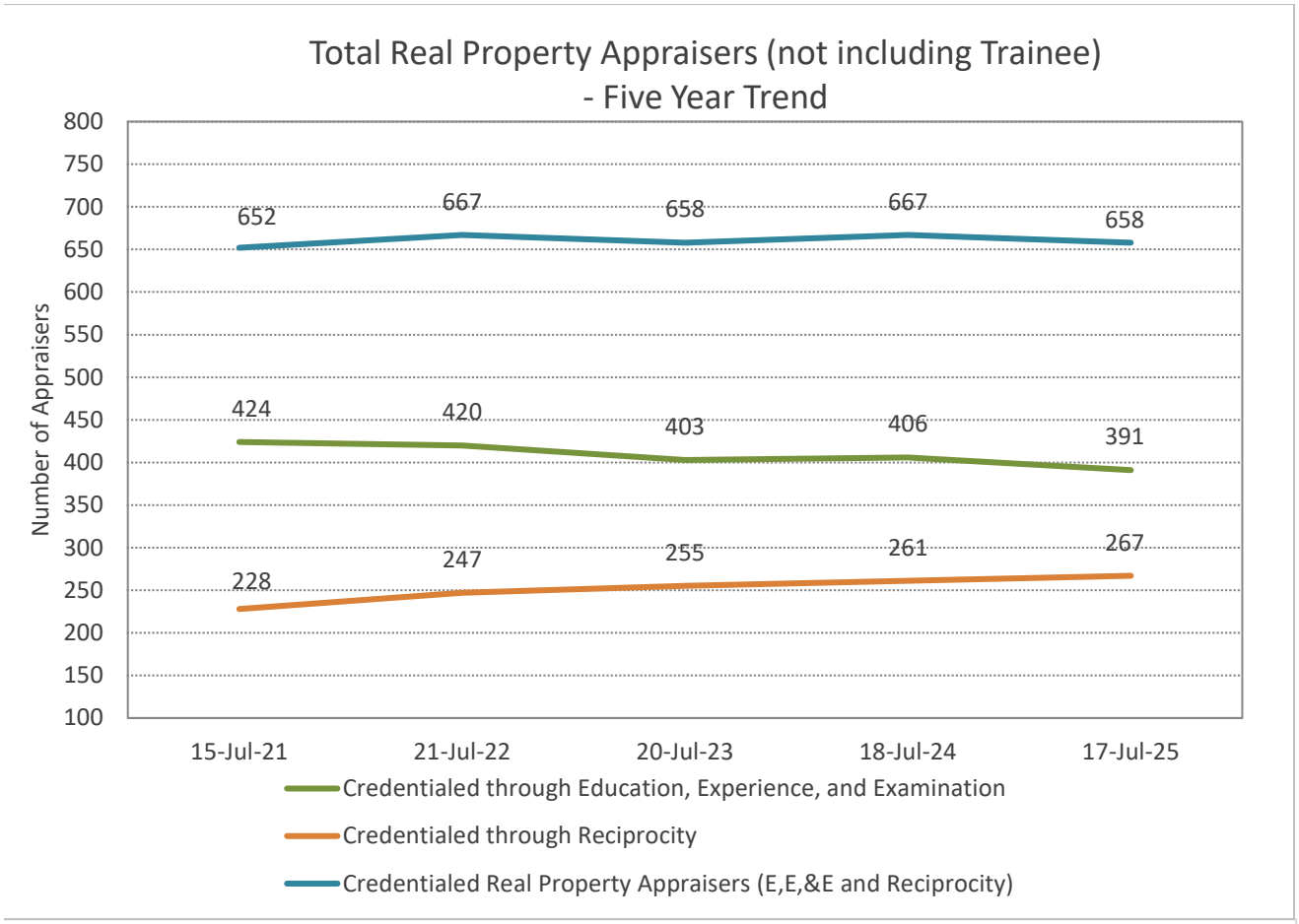
Scheduled Appearances:

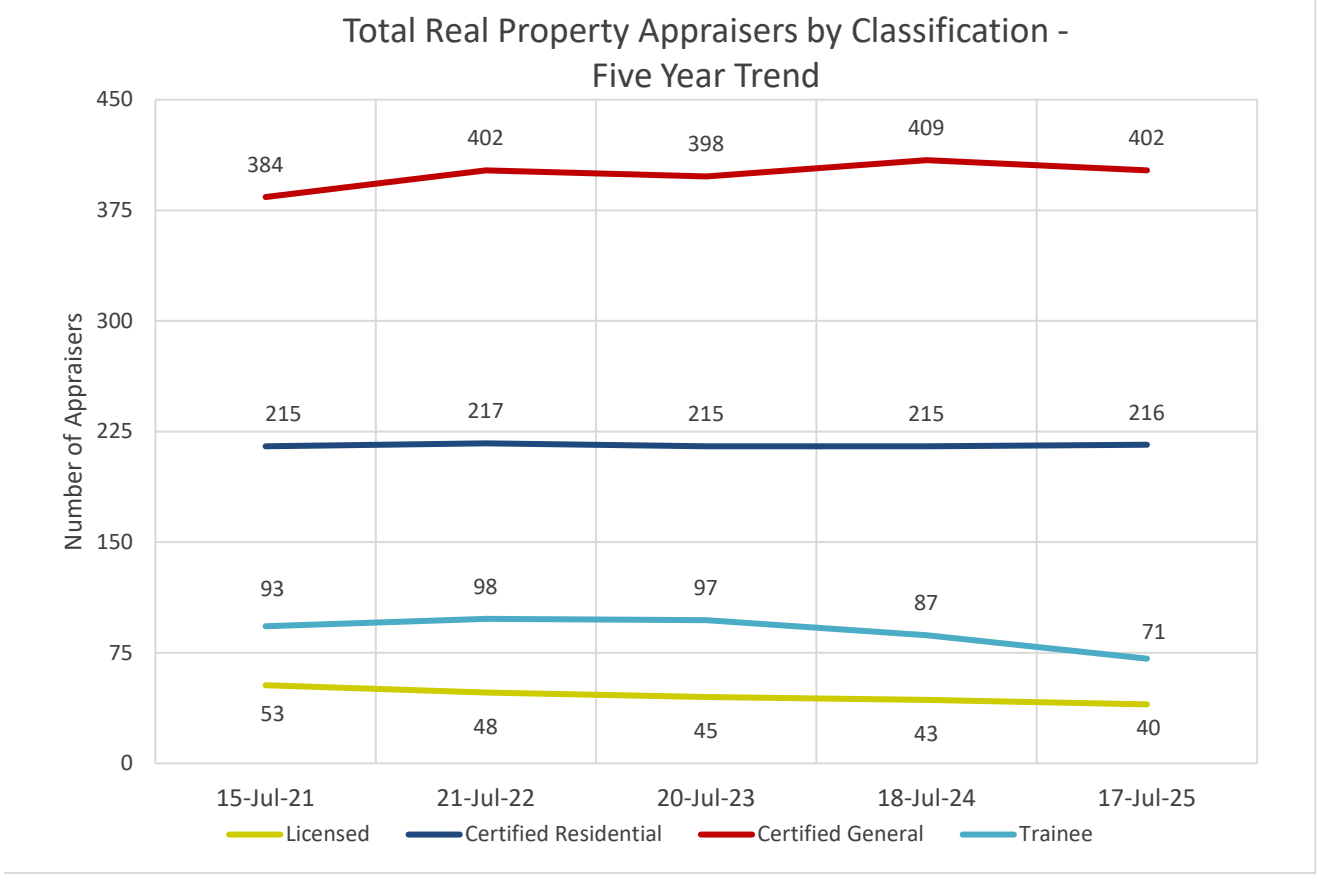
1. T.B.D. (New Business) – State Harmonization Task Force at The Appraisal Foundation

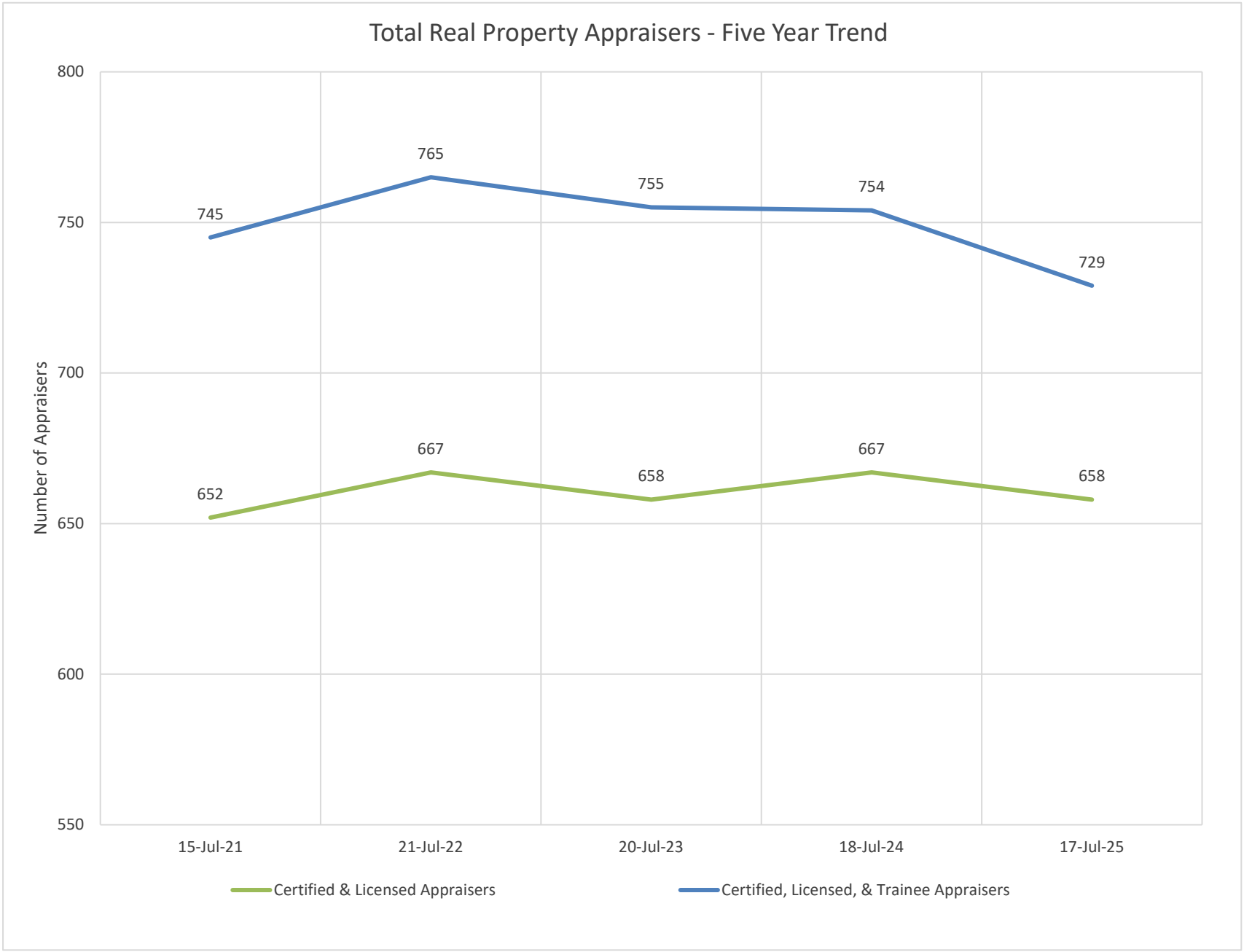
Real Property Appraiser Report

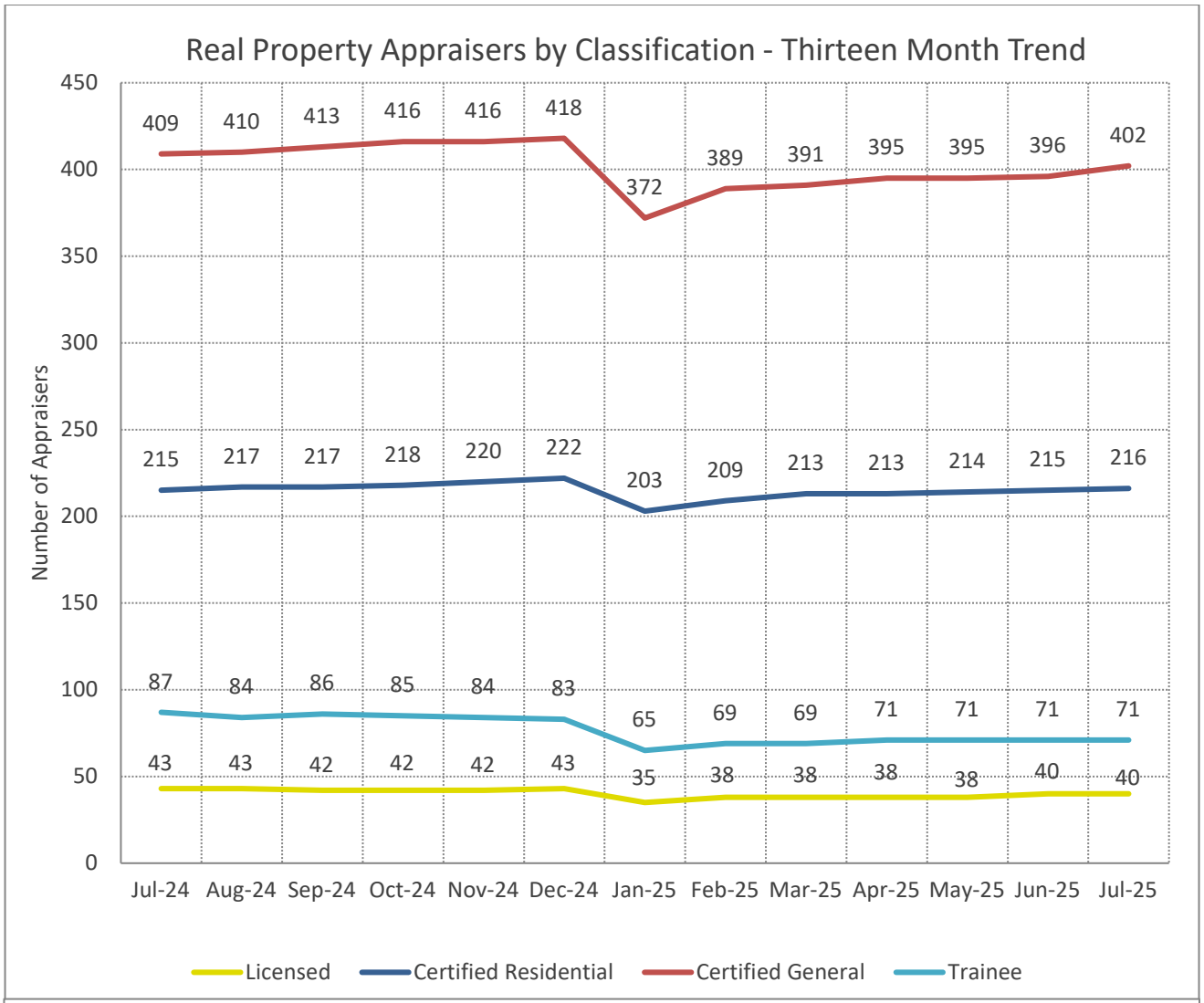


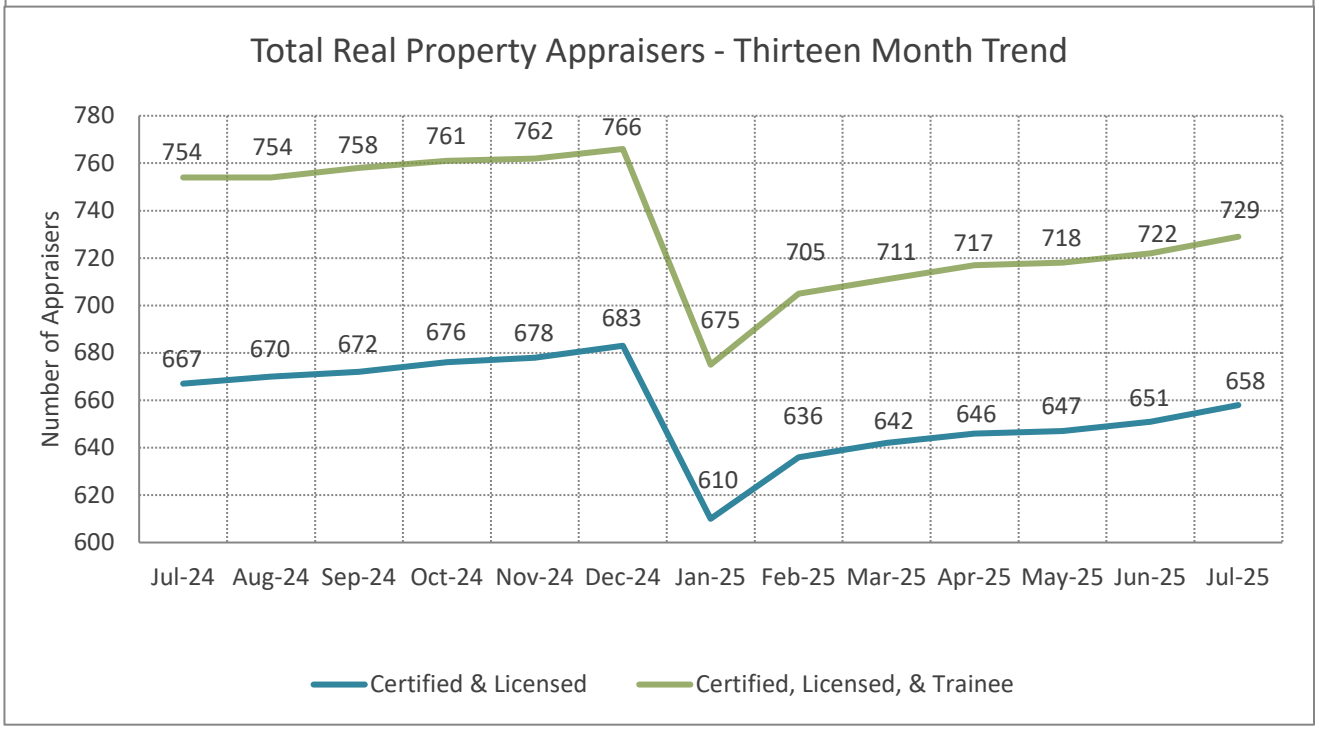



Total Real Property Appraisers (not including Trainee) - Five Year Trend
Number of Appraisers
800
750
700
650
600
550
500
450
400
350
300
250
200
150
100
652
667
658
667
658
424
420
403
406
391
228
247
255
261
267
15-Jul-21
21-Jul-22
20-Jul-23
18-Jul-24
17-Jul-25
Credentialed through Education, Experience, and Examination
Credentialed through Reciprocity
Credentialed Real Property Appraisers (E,E,&E and Reciprocity)

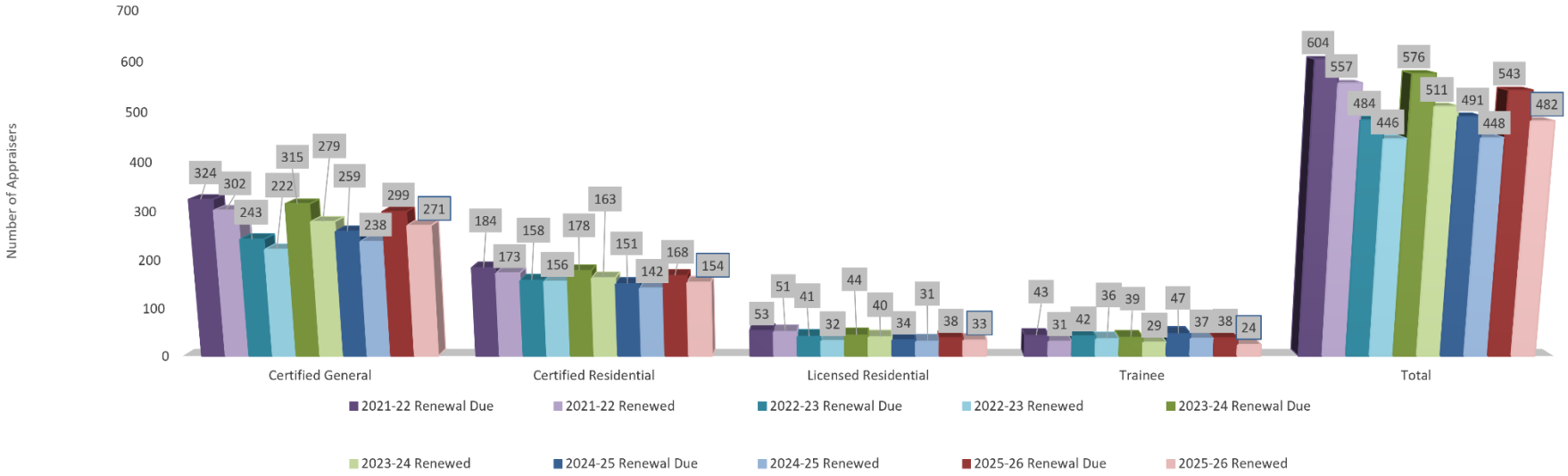

Total Real Property Appraisers by Classification - Five Year Trend
Number of Appraisers
450
375
300
225
150
75
0
384
402
398
409
402
215
217
215
215
216
93
98
97
87
71
53
48
45
43
40
15-Jul-21
21-Jul-22
20-Jul-23
18-Jul-24
17-Jul-25
Licensed
Certified Residential
Certified General
Trainee


Total Real Property Appraisers - Five Year Trend
Number of Appraisers
800
750
700
650
600
550
745
765
755
754
729
652
667
658
667
658
15-Jul-21
21-Jul-22
20-Jul-23
18-Jul-24
17-Jul-25
Certified & Licensed Appraisers
Certified, Licensed, & Trainee Appraisers

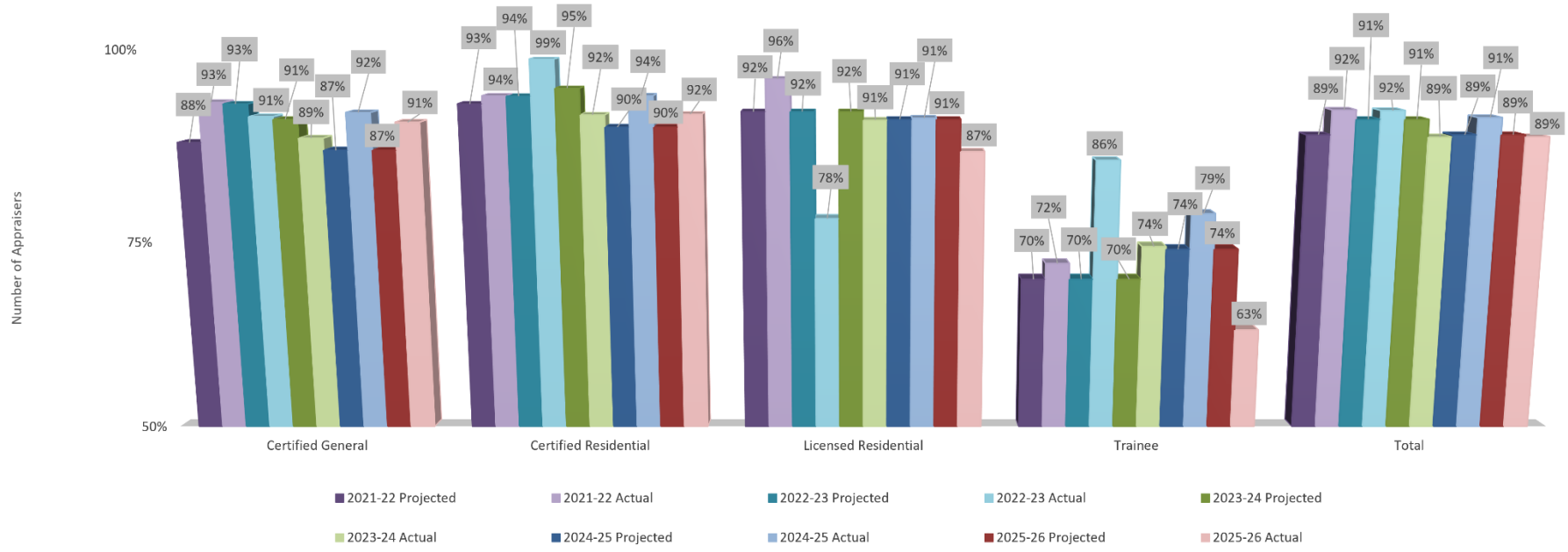

Real Property Appraisers by Classification - Thirteen Month Trend
Number of Appraisers
450
400
350
300
250
200
150
100
50
0
409 410 413 416 416 418 372 389 391 395 395 396 402
215 217 217 218 220 222 203 209 213 213 214 215 216
87 84 86 85 84 83 65 69 69 71 71 71 71
43 43 42 42 42 43 35 38 38 38 38 40 40
Jul-24 Aug-24 Sep-24 Oct-24 Nov-24 Dec-24 Jan-25 Feb-25 Mar-25 Apr-25 May-25 Jun-25 Jul-25
Licensed
Certified Residential
Certified General
Trainee


Total Real Property Appraisers - Thirteen Month Trend
Number of Appraisers
780
760
740
720
700
680
660
640
620
600
754 754 758 761 762 766 675 705 711 717 718 722 729
667 670 672 676 678 683 610 636 642 646 647 651 658
Jul-24 Aug-24 Sep-24 Oct-24 Nov-24 Dec-24 Jan-25 Feb-25 Mar-25 Apr-25 May-25 Jun-25 Jul-25
Certified & Licensed
Certified, Licensed, & Trainee

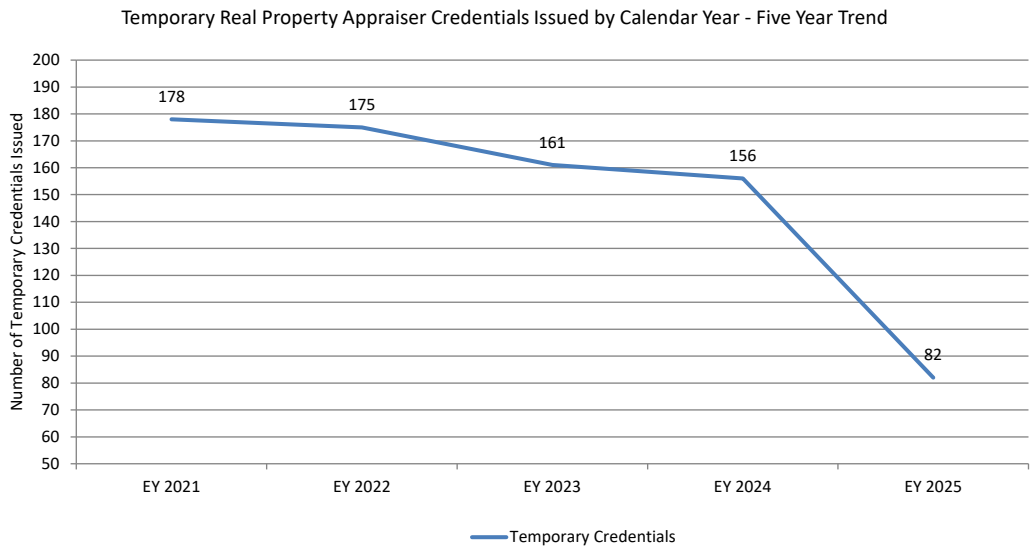
2025-26 REAL PROPERTY APPRAISER RENEWAL PROGRESS REPORT - 6/30/2025

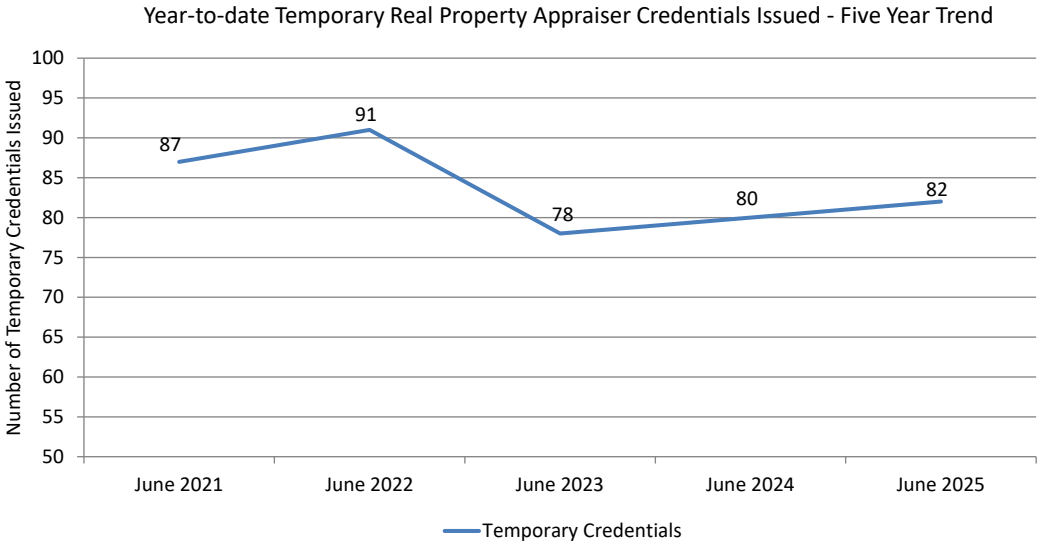


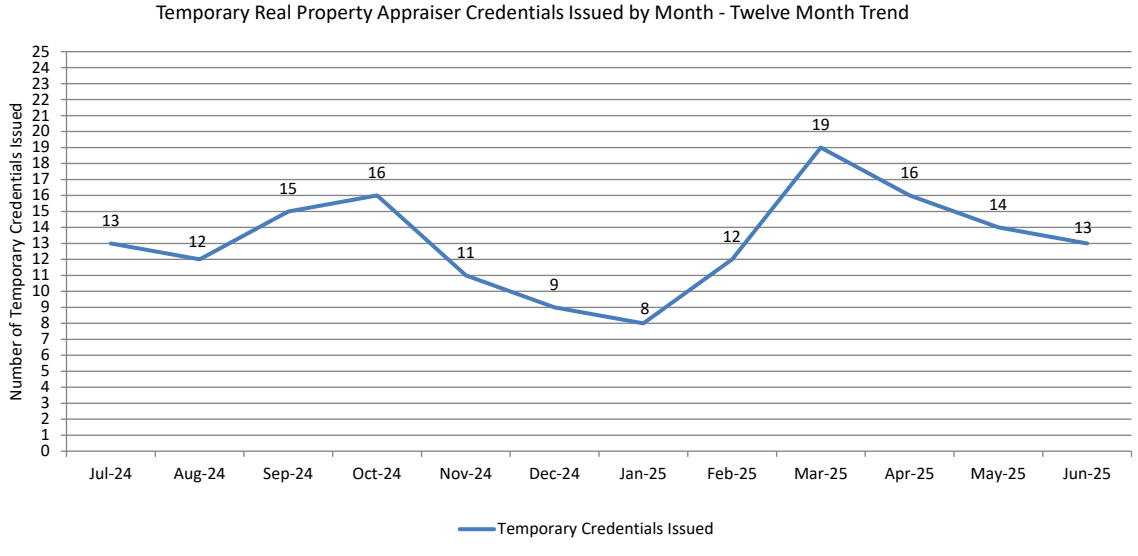
2025-26 PERCENTAGE PROJECTIONS/ACTUALS RENEWAL PROGRESS REPORT - 6/30/2025



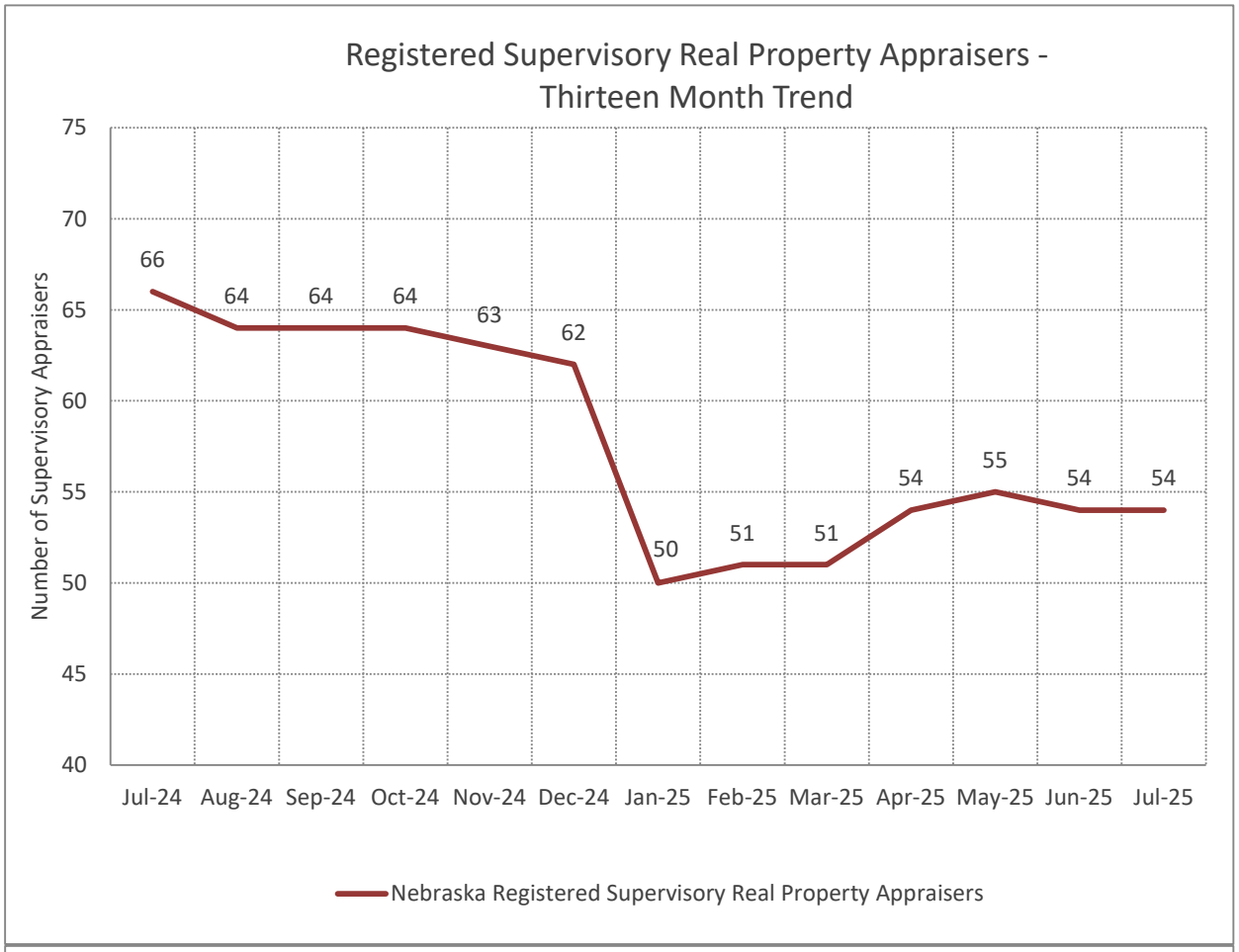
Temporary Real Property Appraiser Report

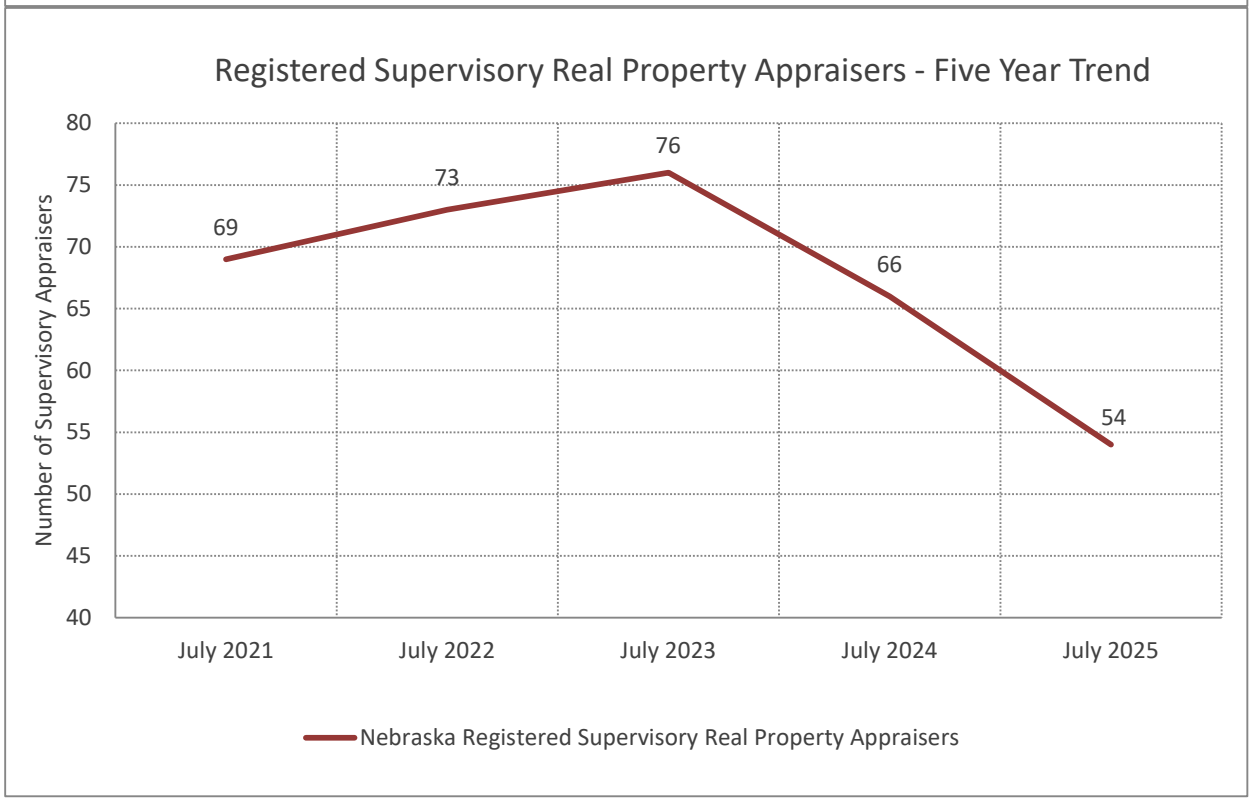




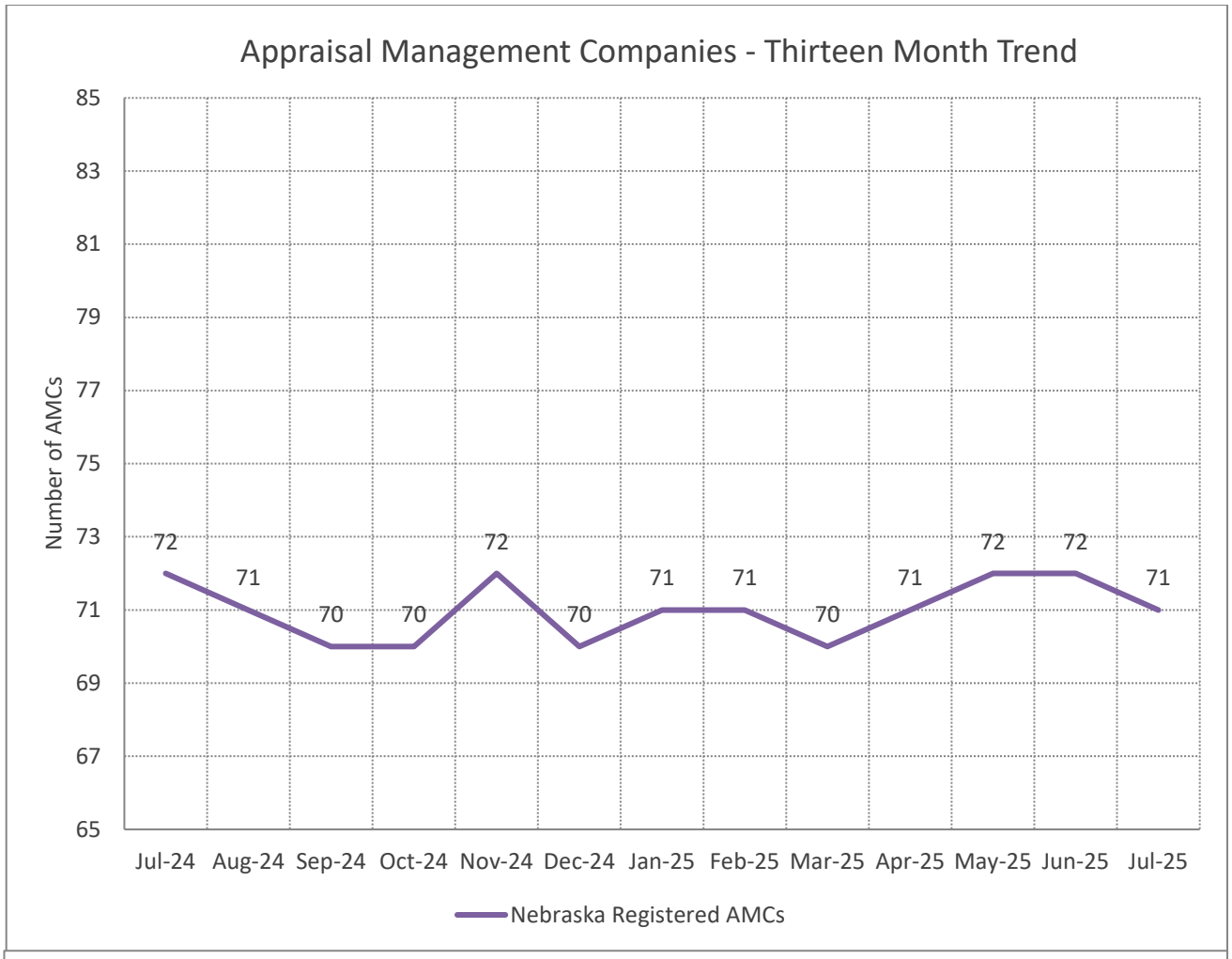


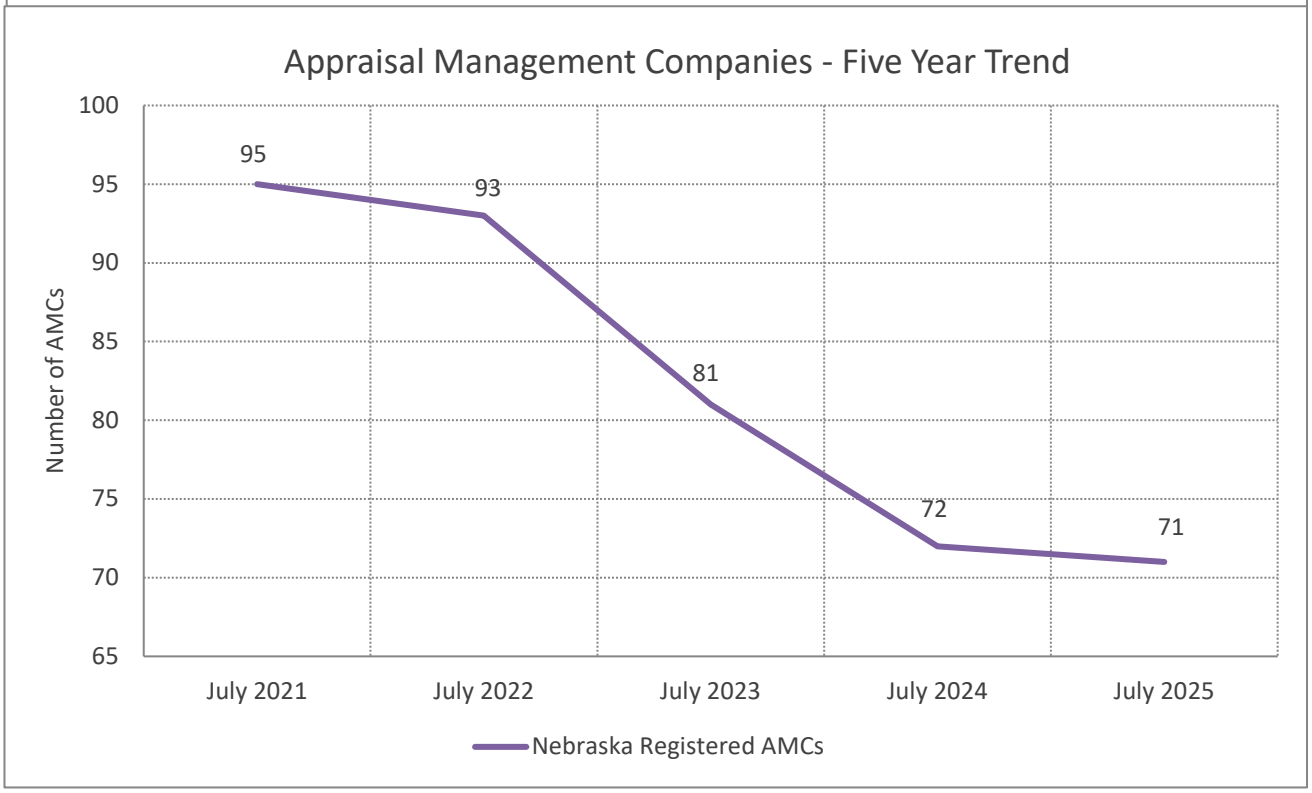
Supervisory Real Property Appraiser Report





Appraisal Management Company Report





NEBRASKA REAL PROPERTY APPRAISER BOARD

DIRECTOR APPROVAL OF REAL PROPERTY APPRAISER APPLICANTS

June 11, 2025 – July 8, 2025

New Trainee Real Property Appraisers		
T25004	Davis, Amber	Approved June 23, 2025
T25005	Emery, Brody	Approved with advisory, no supervisor, June 25, 2025
New Certified Residential Real Property Appraisers through Education, Experience, and Examination		
CR24010	Styskal, Jill	Approved with advisory, take notice of findings, July 8, 2025

NEBRASKA REAL PROPERTY APPRAISER BOARD

DIRECTOR APPROVAL OF EDUCATION ACTIVITY AND INSTRUCTOR(S) APPLICANTS

June 11, 2025 – July 8, 2025

Provider	Activity Number	Hours	Title	Instructor(s)	Approval Date
New Continuing Education Activities and Instructors					
ASFMRA	2251416.01	4.00	Detecting Going Concern & Business Value in an Agricultural Operation	Robert Morrison	6/11/2025
ASFMRA	2253417.01	4.00	Detecting Going Concern & Business Value in an Agricultural Operation	Robert Morrison	6/11/2025
ASFMRA	2251422.01	8.00	Introduction to Commercial Greenhouse Appraisal	Keenan "Joel" Kenimer	6/23/2025
ASFMRA	2253423.01	8.00	Introduction to Commercial Greenhouse Appraisal	Keenan "Joel" Kenimer	6/23/2025
Calypso Continuing Education	2252426.10	4.00	Mold A Growing Concern	Francis Finigan	6/23/2025
Calypso Continuing Education	2252427.10	4.00	Victorian Era Architecture for Real Estate Professionals	Francis Finigan	7/2/2025
Appraisal Institute	2253439.02	7.00	Synchronous Inconsistency: It's Hiding in Plan Sight in Your Residential Appraisal	Mark Smeltzer	7/1/2025
Walitt Solutions, LLC	2253451.90	7.00	Appraiser's Guide to the New URAR	Joshua Walitt	7/8/2025
New Qualifying Education Activities and Instructors					
Appraisal Institute	1251428.02	38.00	Advanced Concepts & Case Studies	Mark Smeltzer, Edward Molinari	6/30/2025
Appraisal Institute	1253429.02	38.00	Advanced Concepts & Case Studies - Synchronous	Mark Smeltzer, Edward Molinari	6/30/2025
Appraisal Institute	1251430.02	33.00	Advanced Income Capitalization	Mark Smeltzer	6/11/2025
McKissock, LLC	1252440.03	15.00	Residential Appraisal Site Valuation and Cost Approach	Dan Bradley	7/1/2025

2025-26 Nebraska Real Property Appraiser Board Goals and Objectives
June 17, 2025 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	Adopt Title 298 changes to implement the Real Property Appraiser Qualification Criteria Effective January 1, 2026 for real property appraisers credentialed prior to January 1, 2026 that upgrade to a higher classification after January 1, 2026 and to implement the CHRC Fee changes as increased by the Nebraska State Patrol.	6/30/2026		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.	Ongoing.	
				Harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act as needed.	Ongoing.	
				Address changes to USPAP, Real Property Appraiser Qualifications Criteria, ASC Policy Statements, AQB CAP Program Guidelines, and Title XI as required.	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	None.			None.		
CREDENTIALING AND REGISTRATION	For real property appraiser and AMC applications available online, explore offering paper applications upon request only for processing fee.	12/31/2025		Monitor real property appraiser credential renewal dates.	Ongoing.	
	Explore use of SARAS Grant to increase the number of Nebraska resident real property appraisers.	6/30/2026				
	Explore separate fee structure for credentialing through reciprocity.	12/31/2025				
	Review current AMC fees.	12/31/2025				
EDUCATION	Reach out to Nebraska community colleges with real estate degree programs to gauge interest in obtaining AQB CAP Approval.	6/30/2026		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	Populate the Disciplinary History Search with all real property appraiser and AMC disciplinary action history for active credential and registration holders.	6/30/2026		Encourage development of Memos from the Board and Facebook posts, and The Nebraska Appraiser acrticles that contain facts of interest to the appraisal business 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.	
ADMINISTRATION	Utilize SARAS Grant for development and implementation of online real property appraiser reciprocity application and NRPAB Database interface, and development and of online education applications and NRPAB Database interface.	6/30/2026		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.	
				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 through E,E,&E initial applications, AMC initial application, and other services that require payment of a fee.	Ongoing.	
				Explore use of AI for business functions to automate tasks and for data analysis.	Ongoing.	
				Explore use of SARAS Grant to develop application in NRPAB Database to accept credit card payments through credit card vendor for online applications.	Ongoing.	
FINANCIALS	Submit Budget Deficit Request for $12,263.00 deficit to Health Insurance Expenses (515500) for FY2025-26, and for $12,876.00 deficit to Health Insurance Expenses (515500) for FY2026-27, due to 18.5% cost of insurance increase to the agency as notified by DAS on June 13, 2025.	11/1/2025		None.		

2025-26 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		* 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		* Utilization of ASC grant funding for technology projects	* Deemphasis on appraisals at the Federal level
* Modernization of accessibility		* Education of users of appraisal reports	* Commodification of appraisal reports
* Authority to enter into contingent dismissal agreements		* Utilization of ASC grant to increase NE appraiser numbers	* Business consolidation
			* Government consolidation

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.00

	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	209,719.34	14,759.07	197,290.97	94.07		12,428.37
511300	OVERTIME PAYMENTS			3,825.30			3,825.30-
511600	PER DIEM PAYMENTS	8,100.00		5,500.00	67.90		2,600.00
511700	EMPLOYEE BONUSES	2,000.00		1,500.00	75.00		500.00
511800	COMPENSATORY TIME PAID			72.68			72.68-
512100	VACATION LEAVE EXPENSE	17,796.97	1,896.26	14,500.73	81.48		3,296.24
512200	SICK LEAVE EXPENSE	2,591.66		7,261.31	280.18		4,669.65-
512300	HOLIDAY LEAVE EXPENSE	11,608.66	876.60	12,170.18	104.84		561.52-
Personal Services Subtotal		251,816.63	17,531.93	242,121.17	96.15	0.00	9,695.46
515100	RETIREMENT PLANS EXPENSE	18,277.76	1,312.78	17,605.86	96.32		671.90
515200	FICA EXPENSE	19,188.36	1,193.60	16,796.68	87.54		2,391.68
515500	HEALTH INSURANCE EXPENSE	59,730.00	4,977.52	57,463.36	96.21		2,266.64
516500	WORKERS COMP PREMIUMS	1,546.00		1,546.00	100.00		
Major Account 510000 Total		350,558.75	25,015.83	335,533.07	95.71	0.00	15,025.68
520000 OPERATING EXPENSES							
521100	POSTAGE EXPENSE	2,588.65	96.46	2,342.46	90.49		246.19
521400	CIO CHARGES	55,544.81	15,056.67	38,508.88	69.33		17,035.93
521500	PUBLICATION & PRINT EXP	3,451.20		2,472.39	71.64		978.81
521900	AWARDS EXPENSE	50.00		36.12	72.24		13.88
522100	DUES & SUBSCRIPTION EXP	600.00		600.00	100.00		
524600	RENT EXPENSE-BUILDINGS	12,801.70	1,062.36	12,731.82	99.45		69.88
524900	RENT EXP-DEPR SURCHARGE	4,187.00	348.91	4,186.92	100.00		.08
527100	REP & MAINT-OFFICE EQUIP	136.00		136.00	100.00		
531100	OFFICE SUPPLIES EXPENSE	2,077.59		448.02	21.56		1,629.57
532100	NON-CAPITALIZED EQUIP PU	1,830.00		1,830.00	100.00		
532260	VOICE EQUIP	28.25		28.25	100.00		
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	1,368.50	3,896.00	19.48		16,104.00
541700	LEGAL RELATED EXPENSE	3,000.00		30.00	1.00		2,970.00
542100	SOS TEMP SERV - PERSONNEL	6,200.00		4,867.85	78.51		1,332.15

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.00

	ACCOUNT CODE DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
547100	EDUCATIONAL SERVICES	788.00	360.00	771.00	97.84		17.00
554900	OTHER CONTRACTUAL SERVICES	27,090.50	10,243.50	28,897.54	106.67		1,807.04-
556100	INSURANCE EXPENSE	53.00		52.57	99.19		.43
559100	OTHER OPERATING EXP	8,958.31		127.00	1.42		8,831.31
Major Account 520000 Total		150,552.01	28,536.40	103,129.82	68.50	0.00	47,422.19
570000 TRAVEL EXPENSES							
571100	LODGING	3,621.00		2,057.00	56.81		1,564.00
571800	MEALS - TRAVEL STATUS	2,045.88	214.20	1,466.96	71.70		578.92
573100	STATE-OWNED TRANSPORT	200.00					200.00
574500	PERSONAL VEHICLE MILEAGE	9,209.82	732.20	6,107.50	66.32		3,102.32
575100	MISC TRAVEL EXPENSE	437.50	21.00	255.85	58.48		181.65
Major Account 570000 Total		15,514.20	967.40	9,887.31	63.73	0.00	5,626.89
BUDGETED EXPENDITURES TOTAL		516,624.96	54,519.63	448,550.20	86.82	0.00	68,074.76
SUMMARY BY FUND TYPE - EXPENDITURES							
2	CASH FUNDS	516,624.96	54,519.63	448,550.20	86.82		68,074.76
BUDGETED EXPENDITURES TOTAL		516,624.96	54,519.63	448,550.20	86.82	0.00	68,074.76
BUDGETED FUND TYPES - REVENUES							
470000 REVENUE - SALES AND CHARGES							
471100	SALE OF SERVICES	450.00-	75.00-	450.00-	100.00		
471120	QUALIFYING ED COURSE FEES	1,600.00-		850.00-	53.13		750.00-
471121	CONTINUING ED NEW FEES	2,500.00-	325.00-	2,150.00-	86.00		350.00-
471122	CONTINUING ED RENEWAL FEES	150.00-	20.00-	90.00-	60.00		60.00-
475150	CERTIFIED GENERAL NEW FEES	9,300.00-	300.00-	6,300.00-	67.74		3,000.00-
475151	LICENSED NEW FEES	300.00-		900.00-	300.00		600.00
475152	FINGERPRINT FEES	2,760.25-	271.50-	2,488.75-	90.16		271.50-
475153	CERTIFIED RESIDENTIAL NEW	3,000.00-	704.75-	4,200.00-	140.00		1,200.00
475154	CERTIFIED GENERAL RENEWAL	116,050.00-	1,100.00-	124,300.00-	107.11		8,250.00
475155	LICENSED RENEWAL	12,100.00-		12,100.00-	100.00		
475156	FINGERPRINT AUDIT PROGRAM FEES			20.00-			20.00
475157	CERTIFIED RESIDENTIAL RENEWAL	62,700.00-		60,775.00-	96.93		1,925.00-

Agency 053 REAL PROPERTY APPRAISER BD
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Percent of Time Elapsed = 100.00

	ACCOUNT CODE DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
475161	TEMPORARY CERTIFIED GENERAL	8,250.00-	550.00-	7,900.00-	95.76		350.00-
475163	AMC REGISTERED NEW FEES	4,000.00-		12,000.00-	300.00		8,000.00
475164	AMC APPLICATION FEES	700.00-		2,100.00-	300.00		1,400.00
475165	AMC REGISTERED RENEWAL	99,000.00-	3,000.00-	100,500.00-	101.52		1,500.00
475166	FED REG AMC RPT FORM PROC FEES	700.00-		700.00-	100.00		
475167	CERTIFIED RESIDENTIAL INACTIVE	300.00-					300.00-
475168	CERTIFIED GENERAL INACTIVE	300.00-					300.00-
475234	APPLICATION FEES	25,650.00-	2,000.00-	24,050.00-	93.76		1,600.00-
476101	LATE PROCESSING FEES	4,175.00-	500.00-	4,050.00-	97.01		125.00-
Major Account 470000 Total		353,985.25-	8,846.25-	365,923.75-	103.37	0.00	11,938.50
480000 REVENUE - MISCELLANEOUS							
481100	INVESTMENT INCOME	21,000.00-	1,774.65-	23,781.88-	113.25		2,781.88
484500	REIMB NON-GOVT SOURCES	1,000.00-	5,633.46-	8,211.08-	821.11		7,211.08
486500	MISCELLANEOUS ADJUSTMENT		107.75-	107.75-			107.75
Major Account 480000 Total		22,000.00-	7,515.86-	32,100.71-	145.91	0.00	10,100.71
490000 REVENUE - OTHER FINANCIAL SOURCES/U							
491300	SALE - SURP PROP/FIXED ASSET			92.00-			92.00
Major Account 490000 Total		0.00	0.00	92.00-	0.00	0.00	92.00
BUDGETED REVENUE TOTAL		375,985.25-	16,362.11-	398,116.46-	105.89	0.00	22,131.21
SUMMARY BY FUND TYPE - REVENUE							
2	CASH FUNDS	375,985.25-	16,362.11-	398,116.46-	105.89		22,131.21
BUDGETED REVENUE TOTAL		375,985.25-	16,362.11-	398,116.46-	105.89	0.00	22,131.21

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Percent of Time Elapsed = 100.00

	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	136,317.62	9,593.17	128,239.25	94.07		8,078.37
511300	OVERTIME PAYMENTS			2,486.14			2,486.14-
511600	PER DIEM PAYMENTS	5,265.00		3,575.00	67.90		1,690.00
511700	EMPLOYEE BONUSES	1,300.00		975.00	75.00		325.00
511800	COMPENSATORY TIME PAID			47.29			47.29-
512100	VACATION LEAVE EXPENSE	11,568.03	1,232.25	9,424.48	81.47		2,143.55
512200	SICK LEAVE EXPENSE	1,684.53		4,719.47	280.17		3,034.94-
512300	HOLIDAY LEAVE EXPENSE	7,545.63	569.79	7,910.62	104.84		364.99-
Personal Services Subtotal		163,680.81	11,395.21	157,377.25	96.15	0.00	6,303.56
515100	RETIREMENT PLANS EXPENSE	11,880.56	853.27	11,443.72	96.32		436.84
515200	FICA EXPENSE	12,472.45	775.82	10,917.67	87.53		1,554.78
515500	HEALTH INSURANCE EXPENSE	38,824.50	3,235.24	37,350.67	96.20		1,473.83
516500	WORKERS COMP PREMIUMS	1,004.90		1,004.90	100.00		
Major Account 510000 Total		227,863.22	16,259.54	218,094.21	95.71	0.00	9,769.01
520000 OPERATING EXPENSES							
521100	POSTAGE EXPENSE	1,621.57	46.15	1,809.06	111.56		187.49-
521400	CIO CHARGES	36,104.13	10,111.92	24,708.24	68.44		11,395.89
521500	PUBLICATION & PRINT EXP	2,243.28	3.24-	1,607.05	71.64		636.23
521900	AWARDS EXPENSE	32.50		23.48	72.25		9.02
522100	DUES & SUBSCRIPTION EXP	390.00		390.00	100.00		
524600	RENT EXPENSE-BUILDINGS	8,321.11	690.53	8,637.70	103.80	362.01-	45.42
524900	RENT EXP-DEPR SURCHARGE	2,721.55	226.79	2,843.60	104.48	122.12-	.07
527100	REP & MAINT-OFFICE EQUIP	88.40		88.40	100.00		
531100	OFFICE SUPPLIES EXPENSE	1,350.43		291.21	21.56		1,059.22
532100	NON-CAPITALIZED EQUIP PU	1,189.50		1,189.50	100.00		
532260	VOICE EQUIP	18.36		18.36	100.00		
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		1,900.00	10.56		16,100.00
541700	LEGAL RELATED EXPENSE	2,700.00		30.00	1.11		2,670.00
542100	SOS TEMP SERV - PERSONNEL	4,030.00		3,164.10	78.51		865.90

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Percent of Time Elapsed = 100.00

	ACCOUNT CODE DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
547100	EDUCATIONAL SERVICES	764.20	360.00	753.15	98.55		11.05
554900	OTHER CONTRACTUAL SERVICES	26,395.25	10,243.50	28,489.64	107.93		2,094.39-
556100	INSURANCE EXPENSE	34.45		34.18	99.22		.27
559100	OTHER OPERATING EXP	5,570.90		84.55	1.52		5,486.35
Major Account 520000 Total		112,334.18	21,675.65	76,820.77	68.39	484.13-	35,997.54
570000 TRAVEL EXPENSES							
571100	LODGING	2,353.65		1,337.05	56.81		1,016.60
571800	MEALS - TRAVEL STATUS	1,329.81	139.23	953.48	71.70		376.33
573100	STATE-OWNED TRANSPORT	130.00					130.00
574500	PERSONAL VEHICLE MILEAGE	5,986.39	475.93	3,969.90	66.32		2,016.49
575100	MISC TRAVEL EXPENSE	284.37	13.65	166.30	58.48		118.07
Major Account 570000 Total		10,084.22	628.81	6,426.73	63.73	0.00	3,657.49
BUDGETED EXPENDITURES TOTAL		350,281.62	38,564.00	301,341.71	86.03	484.13-	49,424.04

SUMMARY BY FUND TYPE - EXPENDITURES

2	CASH FUNDS	350,281.62	38,564.00	301,341.71	86.03	484.13-	49,424.04
BUDGETED EXPENDITURES TOTAL		350,281.62	38,564.00	301,341.71	86.03	484.13-	49,424.04

BUDGETED FUND TYPES - REVENUES

470000 REVENUE - SALES AND CHARGES

471100	SALE OF SERVICES	450.00-	75.00-	450.00-	100.00		
471120	QUALIFYING ED COURSE FEES	1,600.00-		850.00-	53.13		750.00-
471121	CONTINUING ED NEW FEES	2,500.00-	325.00-	2,150.00-	86.00		350.00-
471122	CONTINUING ED RENEWAL FEES	150.00-	20.00-	90.00-	60.00		60.00-
475150	CERTIFIED GENERAL NEW FEES	9,300.00-	300.00-	6,300.00-	67.74		3,000.00-
475151	LICENSED NEW FEES	300.00-		900.00-	300.00		600.00
475152	FINGERPRINT FEES	2,760.25-	271.50-	2,488.75-	90.16		271.50-
475153	CERTIFIED RESIDENTIAL NEW	3,000.00-	704.75-	4,200.00-	140.00		1,200.00
475154	CERTIFIED GENERAL RENEWAL	116,050.00-	1,100.00-	124,300.00-	107.11		8,250.00
475155	LICENSED RENEWAL	12,100.00-		12,100.00-	100.00		
475156	FINGERPRINT AUDIT PROGRAM FEES			20.00-			20.00
475157	CERTIFIED RESIDENTIAL RENEWAL	62,700.00-		60,775.00-	96.93		1,925.00-

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Percent of Time Elapsed = 100.00

	ACCOUNT CODE DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
475161	TEMPORARY CERTIFIED GENERAL	8,250.00-	550.00-	7,900.00-	95.76		350.00-
475167	CERTIFIED RESIDENTIAL INACTIVE	300.00-					300.00-
475168	CERTIFIED GENERAL INACTIVE	300.00-					300.00-
475234	APPLICATION FEES	25,650.00-	2,000.00-	24,050.00-	93.76		1,600.00-
476101	LATE PROCESSING FEES	3,900.00-	500.00-	3,775.00-	96.79		125.00-
Major Account 470000 Total		249,310.25-	5,846.25-	250,348.75-	100.42	0.00	1,038.50
480000 REVENUE - MISCELLANEOUS							
481100	INVESTMENT INCOME	12,000.00-	997.80-	13,556.91-	112.97		1,556.91
484500	REIMB NON-GOVT SOURCES	500.00-	5,633.46-	7,646.66-	1,529.33		7,146.66
486500	MISCELLANEOUS ADJUSTMENT		107.75-	107.75-			107.75
Major Account 480000 Total		12,500.00-	6,739.01-	21,311.32-	170.49	0.00	8,811.32
490000 REVENUE - OTHER FINANCIAL SOURCES/U							
491300	SALE - SURP PROP/FIXED ASSET			59.80-			59.80
Major Account 490000 Total		0.00	0.00	59.80-	0.00	0.00	59.80
BUDGETED REVENUE TOTAL		261,810.25-	12,585.26-	271,719.87-	103.79	0.00	9,909.62

SUMMARY BY FUND TYPE - REVENUE

2	CASH FUNDS	261,810.25-	12,585.26-	271,719.87-	103.79		9,909.62
BUDGETED REVENUE TOTAL		261,810.25-	12,585.26-	271,719.87-	103.79	0.00	9,909.62

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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	73,401.72	5,165.90	69,051.72	94.07		4,350.00
511300	OVERTIME PAYMENTS			1,339.16			1,339.16-
511600	PER DIEM PAYMENTS	2,835.00		1,925.00	67.90		910.00
511700	EMPLOYEE BONUSES	700.00		525.00	75.00		175.00
511800	COMPENSATORY TIME PAID			25.39			25.39-
512100	VACATION LEAVE EXPENSE	6,228.94	664.01	5,076.25	81.49		1,152.69
512200	SICK LEAVE EXPENSE	907.13		2,541.84	280.21		1,634.71-
512300	HOLIDAY LEAVE EXPENSE	4,063.03	306.81	4,259.56	104.84		196.53-
Personal Services Subtotal		88,135.82	6,136.72	84,743.92	96.15	0.00	3,391.90
515100	RETIREMENT PLANS EXPENSE	6,397.20	459.51	6,162.14	96.33		235.06
515200	FICA EXPENSE	6,715.91	417.78	5,879.01	87.54		836.90
515500	HEALTH INSURANCE EXPENSE	20,905.50	1,742.28	20,112.69	96.21		792.81
516500	WORKERS COMP PREMIUMS	541.10		541.10	100.00		
Major Account 510000 Total		122,695.53	8,756.29	117,438.86	95.72	0.00	5,256.67
520000 OPERATING EXPENSES							
521100	POSTAGE EXPENSE	967.08	50.31	533.40	55.16		433.68
521400	CIO CHARGES	19,440.68	4,944.75	13,800.64	70.99		5,640.04
521500	PUBLICATION & PRINT EXP	1,207.92	3.24	865.34	71.64		342.58
521900	AWARDS EXPENSE	17.50		12.64	72.23		4.86
522100	DUES & SUBSCRIPTION EXP	210.00		210.00	100.00		
524600	RENT EXPENSE-BUILDINGS	4,480.59	371.83	4,094.12	91.37	362.01	24.46
524900	RENT EXP-DEPR SURCHARGE	1,465.45	122.12	1,343.32	91.67	122.12	.01
527100	REP & MAINT-OFFICE EQUIP	47.60		47.60	100.00		
531100	OFFICE SUPPLIES EXPENSE	727.16		156.81	21.56		570.35
532100	NON-CAPITALIZED EQUIP PU	640.50		640.50	100.00		
532260	VOICE EQUIP	9.89		9.89	100.00		
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	1,368.50	1,996.00	99.80		4.00
541700	LEGAL RELATED EXPENSE	300.00					300.00
542100	SOS TEMP SERV - PERSONNEL	2,170.00		1,703.75	78.51		466.25

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	ACCOUNT CODE DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
547100	EDUCATIONAL SERVICES	23.80		17.85	75.00		5.95
554900	OTHER CONTRACTUAL SERVICES	695.25		407.90	58.67		287.35
556100	INSURANCE EXPENSE	18.55		18.39	99.14		.16
559100	OTHER OPERATING EXP	3,387.41		42.45	1.25		3,344.96
Major Account 520000 Total		38,217.83	6,860.75	26,309.05	68.84	484.13	11,424.65
570000 TRAVEL EXPENSES							
571100	LODGING	1,267.35		719.95	56.81		547.40
571800	MEALS - TRAVEL STATUS	716.07	74.97	513.48	71.71		202.59
573100	STATE-OWNED TRANSPORT	70.00					70.00
574500	PERSONAL VEHICLE MILEAGE	3,223.43	256.27	2,137.60	66.31		1,085.83
575100	MISC TRAVEL EXPENSE	153.13	7.35	89.55	58.48		63.58
Major Account 570000 Total		5,429.98	338.59	3,460.58	63.73	0.00	1,969.40
BUDGETED EXPENDITURES TOTAL		166,343.34	15,955.63	147,208.49	88.50	484.13	18,650.72
SUMMARY BY FUND TYPE - EXPENDITURES							
2	CASH FUNDS	166,343.34	15,955.63	147,208.49	88.50	484.13	18,650.72
BUDGETED EXPENDITURES TOTAL		166,343.34	15,955.63	147,208.49	88.50	484.13	18,650.72
BUDGETED FUND TYPES - REVENUES							
470000 REVENUE - SALES AND CHARGES							
475163	AMC REGISTERED NEW FEES	4,000.00-		12,000.00-	300.00		8,000.00
475164	AMC APPLICATION FEES	700.00-		2,100.00-	300.00		1,400.00
475165	AMC REGISTERED RENEWAL	99,000.00-	3,000.00-	100,500.00-	101.52		1,500.00
475166	FED REG AMC RPT FORM PROC FEES	700.00-		700.00-	100.00		
476101	LATE PROCESSING FEES	275.00-		275.00-	100.00		
Major Account 470000 Total		104,675.00-	3,000.00-	115,575.00-	110.41	0.00	10,900.00
480000 REVENUE - MISCELLANEOUS							
481100	INVESTMENT INCOME	9,000.00-	776.85-	10,224.97-	113.61		1,224.97
484500	REIMB NON-GOVT SOURCES	500.00-		564.42-	112.88		64.42

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Percent of Time Elapsed = 100.00

ACCOUNT CODE DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
Major Account 480000 Total	9,500.00-	776.85-	10,789.39-	113.57	0.00	1,289.39
490000 REVENUE - OTHER FINANCIAL SOURCES/U						
491300 SALE - SURP PROP/FIXED ASSET			32.20-			32.20
Major Account 490000 Total	0.00	0.00	32.20-	0.00	0.00	32.20
BUDGETED REVENUE TOTAL	114,175.00-	3,776.85-	126,396.59-	110.70	0.00	12,221.59
SUMMARY BY FUND TYPE - REVENUE						
2 CASH FUNDS	114,175.00-	3,776.85-	126,396.59-	110.70		12,221.59
BUDGETED REVENUE TOTAL	114,175.00-	3,776.85-	126,396.59-	110.70	0.00	12,221.59

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.		621887	06/03/25	RC	RB	NRPAB DEPOSIT 250603	7864802		50.00-
25310	079	000	53105018.471100.		623225	06/11/25	RC	RB	NRPAB DEPOSIT 250611	7876310		25.00-
Total for Object			471100 SALE OF SERVICES									75.00-
25310	079	000	53105018.471121.		622418	06/05/25	RC	RB	NRPAB DEPOSIT 250605	7868707		50.00-
25310	079	000	53105018.471121.		622553	06/06/25	RC	RB	NRPAB DEPOSIT 250606	7871012		25.00-
25310	079	000	53105018.471121.		623225	06/11/25	RC	RB	NRPAB DEPOSIT 250611	7876310		200.00-
25310	079	000	53105018.471121.		625928	06/27/25	RC	RB	NRPAB DEPOSIT 250627	7894288		50.00-
Total for Object			471121 CONTINUING ED NEW FEES									325.00-
25310	079	000	53105018.471122.		624794	06/19/25	RC	RB	NRPAB DEPOSIT 250619	7885517		10.00-
25310	079	000	53105018.471122.		625500	06/25/25	RC	RB	NRPAB DEPOSIT 250625	7890733		10.00-
Total for Object			471122 CONTINUING ED RENEWAL FEES									20.00-
25310	079	000	53105018.475150.		25940034	06/06/25	JE	G	NRPAB CG TO CR DEPOSIT TRANSF	7871832		300.00
25310	079	000	53105018.475150.		623225	06/11/25	RC	RB	NRPAB DEPOSIT 250611	7876310		300.00-
25310	079	000	53105018.475150.		625500	06/25/25	RC	RB	NRPAB DEPOSIT 250625	7890733		300.00-
Total for Object			475150 CERTIFIED GENERAL NEW FEES									300.00-
25310	079	000	53105018.475152.		622418	06/05/25	RC	RB	NRPAB DEPOSIT 250605	7868707		45.25-
25310	079	000	53105018.475152.		624794	06/19/25	RC	RB	NRPAB DEPOSIT 250619	7885517		90.50-
25310	079	000	53105018.475152.		625500	06/25/25	RC	RB	NRPAB DEPOSIT 250625	7890733		135.75-
Total for Object			475152 FINGERPRINT FEES									271.50-
25310	079	000	53105018.475153.		622553	06/06/25	RC	RB	NRPAB DEPOSIT 250606	7871012		104.75-
25310	079	000	53105018.475153.		25940034	06/06/25	JE	G	NRPAB CG TO CR DEPOSIT TRANSF	7871832		300.00-
25310	079	000	53105018.475153.		623225	06/11/25	RC	RB	NRPAB DEPOSIT 250611	7876310		300.00-
Total for Object			475153 CERTIFIED RESIDENTIAL NEW									704.75-
25310	079	000	53105018.475154.		623225	06/11/25	RC	RB	NRPAB DEPOSIT 250611	7876310		550.00-
25310	079	000	53105018.475154.		623560	06/11/25	RC	RB	NRPAB APP REN EFW DEP 250611	7877622		550.00-
Total for Object			475154 CERTIFIED GENERAL RENEWAL									1,100.00-
25310	079	000	53105018.475161.		622418	06/05/25	RC	RB	NRPAB DEPOSIT 250605	7868707		150.00-
25310	079	000	53105018.475161.		622553	06/06/25	RC	RB	NRPAB DEPOSIT 250606	7871012		200.00-
25310	079	000	53105018.475161.		624794	06/19/25	RC	RB	NRPAB DEPOSIT 250619	7885517		50.00-
25310	079	000	53105018.475161.		625500	06/25/25	RC	RB	NRPAB DEPOSIT 250625	7890733		150.00-
Total for Object			475161 TEMPORARY CERTIFIED GENERAL									550.00-

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	53105018.475234.		622418	06/05/25	RC	RB	NRPAB DEPOSIT 250605	7868707		450.00-
25310	079	000	53105018.475234.		622553	06/06/25	RC	RB	NRPAB DEPOSIT 250606	7871012		400.00-
25310	079	000	53105018.475234.		624794	06/19/25	RC	RB	NRPAB DEPOSIT 250619	7885517		400.00-
25310	079	000	53105018.475234.		625500	06/25/25	RC	RB	NRPAB DEPOSIT 250625	7890733		750.00-
Total for Object			475234 APPLICATION FEES									2,000.00-
25310	079	000	53105018.476101.		623225	06/11/25	RC	RB	NRPAB DEPOSIT 250611	7876310		175.00-
25310	079	000	53105018.476101.		623560	06/11/25	RC	RB	NRPAB APP REN EFW DEP 250611	7877622		150.00-
25310	079	000	53105018.476101.		624252	06/16/25	RC	RB	NRPAB APP REN EFW DEP 250616	7881512		175.00-
Total for Object			476101 LATE PROCESSING FEES									500.00-
25310	079	000	53105018.481100.		26017852	06/17/25	JE	G	OIP May 25 2.93469%	7884889		997.80-
Total for Object			481100 INVESTMENT INCOME									997.80-
25310	079	000	53105018.484500.		623225	06/11/25	RC	RB	NRPAB DEPOSIT 250611	7876310		625.00-
25310	079	000	53105018.484500.		26025258	06/18/25	JE	G	AGENCY 2ND QTR PCARD REBATES	7885929		8.46-
25310	079	000	53105018.484500.		625928	06/27/25	RC	RB	NRPAB DEPOSIT 250627	7894288		5,000.00-
Total for Object			484500 REIMB NON-GOVT SOURCES									5,633.46-
25310	079	000	53105018.486500.		25881586	06/02/25	JE	G	NRPAB JE CORRECT APPR ASC BAL	7860947		80.00-
25310	079	000	53105018.486500.		25923412	06/04/25	J9	G	To correct 211700 for Ag 053	7869051		27.75-
Total for Object			486500 MISCELLANEOUS ADJUSTMENT									107.75-
25310	079	000	53105018.511100.		3189967	06/11/25	T2	7	PAYROLL LABOR DISTRIBUTION	7866084		4,200.75
25310	079	000	53105018.511100.		3190162	06/25/25	T2	7	PAYROLL LABOR DISTRIBUTION	7883174		5,392.42
Total for Object			511100 PERMANENT SALARIES-WAGES									9,593.17
25310	079	000	53105018.512100.		3189967	06/11/25	T2	7	PAYROLL LABOR DISTRIBUTION	7866084		926.81
25310	079	000	53105018.512100.		3190162	06/25/25	T2	7	PAYROLL LABOR DISTRIBUTION	7883174		305.44
Total for Object			512100 VACATION LEAVE EXPENSE									1,232.25
25310	079	000	53105018.512300.		3189967	06/11/25	T2	7	PAYROLL LABOR DISTRIBUTION	7866084		569.79
Total for Object			512300 HOLIDAY LEAVE EXPENSE									569.79
25310	079	000	53105018.515100.		3189968	06/11/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7866084		426.63
25310	079	000	53105018.515100.		3190163	06/25/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7883174		426.64
Total for Object			515100 RETIREMENT PLANS EXPENSE									853.27
25310	079	000	53105018.515200.		3189968	06/11/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7866084		377.91

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	53105018.515200.		3190163	06/25/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7883174		387.91
Total for Object			515200 FICA EXPENSE									775.82
25310	079	000	53105018.515500.		3189968	06/11/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7866084		1,617.55
25310	079	000	53105018.515500.		3190163	06/25/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7883174		1,617.69
Total for Object			515500 HEALTH INSURANCE EXPENSE									3,235.24
25310	079	000	53105018.521100.		25881507	06/02/25	JE	G	NRPAB POSTAGE APR 2025	7860471		50.31-
25310	079	000	53105018.521100.		26017823	06/17/25	JE	G	POSTAGE DUE MAY 2025	7884428		96.46
Total for Object			521100 POSTAGE EXPENSE									46.15
25310	079	000	53105018.521400.		58035163	06/02/25	PV	V	AS - OCIO - COMMUNICATIONS	7860973		144.40
25310	079	000	53105018.521400.		58046974	06/02/25	PV	V	AS - OCIO - IMSERVICES	7862749		2,958.87
25310	079	000	53105018.521400.		58146394	06/17/25	PV	V	AS - OCIO - IMSERVICES	7885055		7,008.65
Total for Object			521400 CIO CHARGES									10,111.92
25310	079	000	53105018.521500.		25881591	06/02/25	JE	G	NRPAB CSI DESK NAMEPLATE	7861064		3.24-
Total for Object			521500 PUBLICATION & PRINT EXP									3.24-
25310	079	000	53105018.524600.		57971174	06/02/25	PV	V	SECRETARY OF STATE	7855547		18.23
25310	079	000	53105018.524600.		25890559	06/06/25	JE	G	RENT & LB530 JUNE 2025 - OTHER	7862335		1,034.31
25310	079	000	53105018.524600.		25955740	06/10/25	JE	G	NRPAB RENT JUN 2025	7875323		362.01-
Total for Object			524600 RENT EXPENSE-BUILDINGS									690.53
25310	079	000	53105018.524900.		25890559	06/06/25	JE	G	RENT & LB530 JUNE 2025 - OTHER	7862335		348.91
25310	079	000	53105018.524900.		25955740	06/10/25	JE	G	NRPAB RENT JUN 2025	7875323		122.12-
Total for Object			524900 RENT EXP-DEPR SURCHARGE									226.79
25310	079	000	53105018.539500.		58068525	06/03/25	PC	V	Purchase Card Offset	7866724		360.00
25310	079	000	53105018.539500.		25914966	06/03/25	J1	G	PURCHASE CARD TRANSACTION	7866807		360.00-
Total for Object			539500 PURCHASING CARD SUSPENSE									
25310	079	000	53105018.547100.		25914966	06/03/25	J1	G	PURCHASE CARD TRANSACTION	7866807		360.00
Total for Object			547100 EDUCATIONAL SERVICES									360.00
25310	079	000	53105018.554900.		58045205	06/02/25	PV	V	PROTIVA, JASON	7861783		500.00
25310	079	000	53105018.554900.		58045245	06/02/25	PV	V	VALUATION SERVICES INC	7861828		750.00
25310	079	000	53105018.554900.		58046397	06/02/25	PV	V	REALCORP	7861974		625.00
25310	079	000	53105018.554900.		58090028	06/06/25	PV	V	VALUATION CONSULTANTS PC	7871759		1,125.00

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	53105018.554900.		58090152	06/06/25	PV	V	NEBRASKA STATE PATROL	7871856		181.00
25310	079	000	53105018.554900.		58107700	06/10/25	PV	V	CASE, SCOTT	7875718		2,500.00
25310	079	000	53105018.554900.		58107705	06/10/25	PV	V	MCCORMICK, GARY	7875724		2,500.00
25310	079	000	53105018.554900.		58107712	06/10/25	PV	V	REALCORP	7875736		625.00
25310	079	000	53105018.554900.		58124146	06/12/25	PV	V	HARNESS LLC	7879639		625.00
25310	079	000	53105018.554900.		58145705	06/17/25	PV	V	LUHRS REAL ESTATE & APPRAISALS	7884353		1,625.00
Total for Object			554900 OTHER CONTRACTUAL SERVICES									10,243.50
25310	079	000	53105018.571800.		58034806	06/02/25	PV	V	BATIE, ADAM	7860512		46.41
25310	079	000	53105018.571800.		58034822	06/02/25	PV	V	MINSHULL, DEREK	7860530		46.41
25310	079	000	53105018.571800.		58034835	06/02/25	PV	V	JOHNSON, RODNEY D	7860538		46.41
Total for Object			571800 MEALS - TRAVEL STATUS									139.23
25310	079	000	53105018.574500.		58034791	06/02/25	PV	V	HERMSEN, KEVIN P	7860491		39.13
25310	079	000	53105018.574500.		58034806	06/02/25	PV	V	BATIE, ADAM	7860512		118.30
25310	079	000	53105018.574500.		58034822	06/02/25	PV	V	MINSHULL, DEREK	7860530		205.66
25310	079	000	53105018.574500.		58034835	06/02/25	PV	V	JOHNSON, RODNEY D	7860538		112.84
Total for Object			574500 PERSONAL VEHICLE MILEAGE									475.93
25310	079	000	53105018.575100.		58034791	06/02/25	PV	V	HERMSEN, KEVIN P	7860491		4.87
25310	079	000	53105018.575100.		58034835	06/02/25	PV	V	JOHNSON, RODNEY D	7860538		8.78
Total for Object			575100 MISC TRAVEL EXPENSE									13.65
Total for Business Unit		53105018	NE REAL PROPERTY APPRAISER									25,978.74
25320	079	000	53105200.475165.		623265	06/10/25	RC	RB	NRPAB AMC REN EFW DEP 250610	7875087		1,500.00-
25320	079	000	53105200.475165.		623485	06/12/25	RC	RB	NRPAB AMC DEPOSIT 250612	7877581		1,500.00-
Total for Object			475165 AMC REGISTERED RENEWAL									3,000.00-
25320	079	000	53105200.481100.		26017852	06/17/25	JE	G	OIP May 25 2.93469%	7884889		776.85-
Total for Object			481100 INVESTMENT INCOME									776.85-
25320	079	000	53105200.511100.		3189967	06/11/25	T2	7	PAYROLL LABOR DISTRIBUTION	7866084		2,262.34
25320	079	000	53105200.511100.		3190162	06/25/25	T2	7	PAYROLL LABOR DISTRIBUTION	7883174		2,903.56
Total for Object			511100 PERMANENT SALARIES-WAGES									5,165.90
25320	079	000	53105200.512100.		3189967	06/11/25	T2	7	PAYROLL LABOR DISTRIBUTION	7866084		499.47
25320	079	000	53105200.512100.		3190162	06/25/25	T2	7	PAYROLL LABOR DISTRIBUTION	7883174		164.54
Total for Object			512100 VACATION LEAVE EXPENSE									664.01

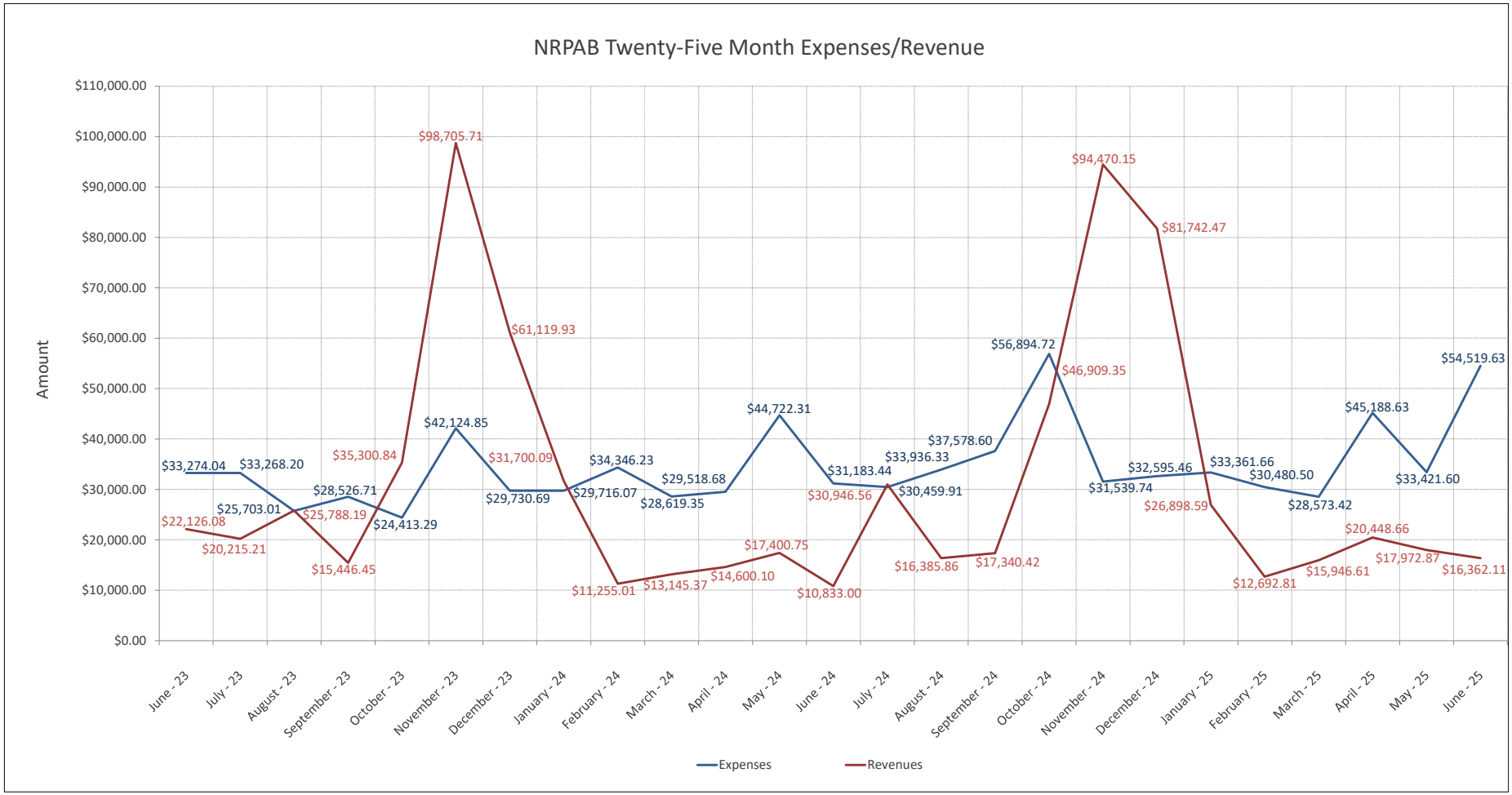
Fund	Program	Sub-Program	Account Number	Sub-ledger	Doc Number	Tran Date	Tran Type	Batch Type	Payee/Explanation	Batch Number	Posted Code	Month to Date
25320	079	000	53105200.512300.		3189967	06/11/25	T2	7	PAYROLL LABOR DISTRIBUTION	7866084		306.81
Total for Object			512300 HOLIDAY LEAVE EXPENSE									306.81
25320	079	000	53105200.515100.		3189968	06/11/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7866084		229.76
25320	079	000	53105200.515100.		3190163	06/25/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7883174		229.75
Total for Object			515100 RETIREMENT PLANS EXPENSE									459.51
25320	079	000	53105200.515200.		3189968	06/11/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7866084		208.89
25320	079	000	53105200.515200.		3190163	06/25/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7883174		208.89
Total for Object			515200 FICA EXPENSE									417.78
25320	079	000	53105200.515500.		3189968	06/11/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7866084		871.21
25320	079	000	53105200.515500.		3190163	06/25/25	T3	7	ACTUAL BURDEN JOURNAL ENTRIES	7883174		871.07
Total for Object			515500 HEALTH INSURANCE EXPENSE									1,742.28
25320	079	000	53105200.521100.		25881507	06/02/25	JE	G	NRPAB POSTAGE APR 2025	7860471		50.31
Total for Object			521100 POSTAGE EXPENSE									50.31
25320	079	000	53105200.521400.		58035163	06/02/25	PV	V	AS - OCIO - COMMUNICATIONS	7860973		77.75
25320	079	000	53105200.521400.		58046974	06/02/25	PV	V	AS - OCIO - IMSERVICES	7862749		1,171.28
25320	079	000	53105200.521400.		58146394	06/17/25	PV	V	AS - OCIO - IMSERVICES	7885055		3,695.72
Total for Object			521400 CIO CHARGES									4,944.75
25320	079	000	53105200.521500.		25881591	06/02/25	JE	G	NRPAB CSI DESK NAMEPLATE	7861064		3.24
Total for Object			521500 PUBLICATION & PRINT EXP									3.24
25320	079	000	53105200.524600.		57971174	06/02/25	PV	V	SECRETARY OF STATE	7855547		9.82
25320	079	000	53105200.524600.		25955740	06/10/25	JE	G	NRPAB RENT JUN 2025	7875323		362.01
Total for Object			524600 RENT EXPENSE-BUILDINGS									371.83
25320	079	000	53105200.524900.		25955740	06/10/25	JE	G	NRPAB RENT JUN 2025	7875323		122.12
Total for Object			524900 RENT EXP-DEPR SURCHARGE									122.12
25320	079	000	53105200.541500.		57971159	06/02/25	PV	V	PEETZ KOERWITZ & LAFLEUR PC LL	7855538		450.50
25320	079	000	53105200.541500.		58144807	06/17/25	PV	V	PEETZ KOERWITZ & LAFLEUR PC LL	7883713		500.00
25320	079	000	53105200.541500.		58144818	06/17/25	PV	V	PEETZ KOERWITZ & LAFLEUR PC LL	7883728		418.00
Total for Object			541500 LEGAL SERVICES EXPENSE									1,368.50

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

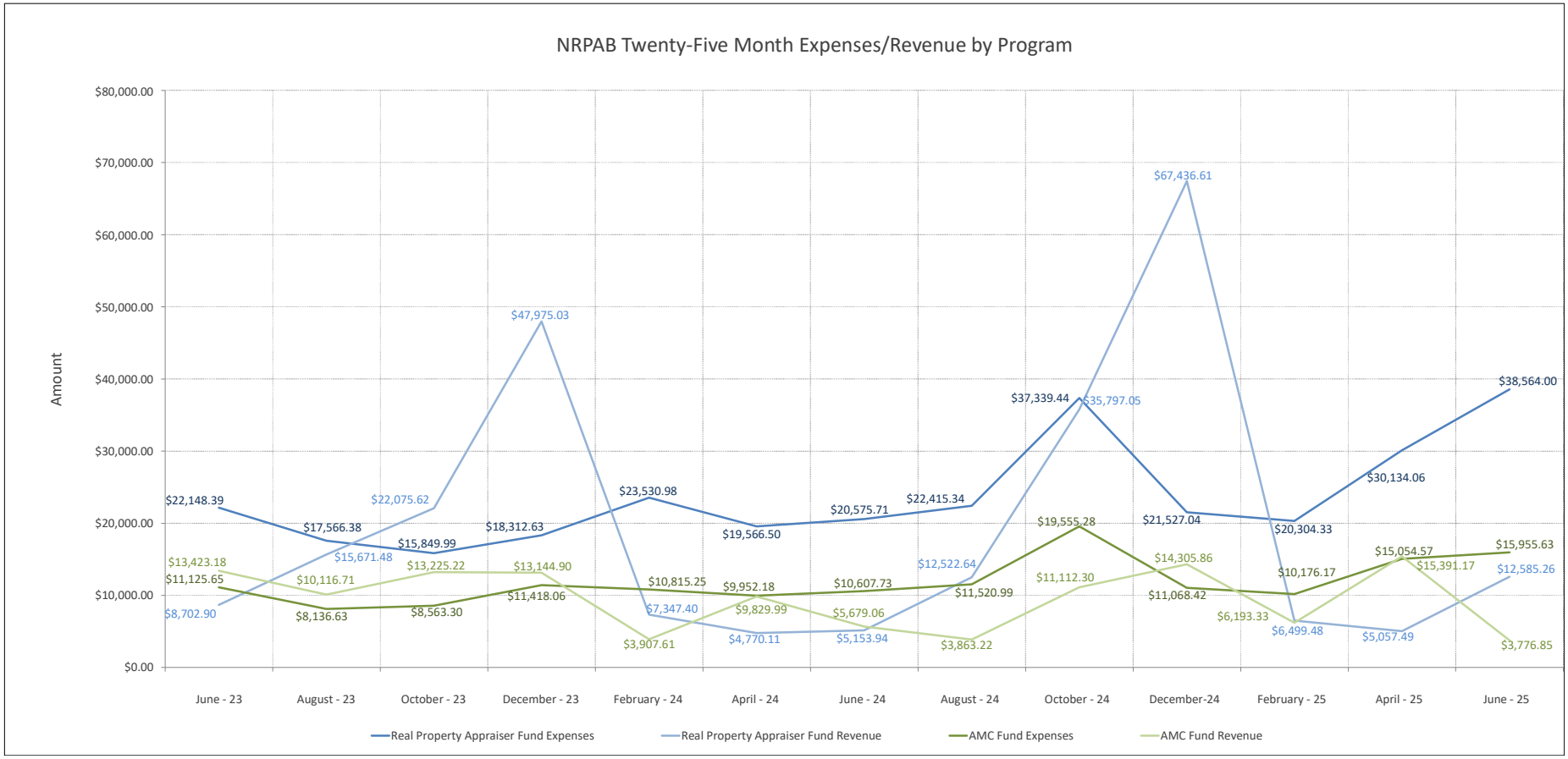
All Objects
As of 06/30/25

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	53105200.571800.		58034806	06/02/25	PV	V	BATIE, ADAM	7860512		24.99
25320	079	000	53105200.571800.		58034822	06/02/25	PV	V	MINSHULL, DEREK	7860530		24.99
25320	079	000	53105200.571800.		58034835	06/02/25	PV	V	JOHNSON, RODNEY D	7860538		24.99
Total for Object			571800 MEALS - TRAVEL STATUS									74.97
25320	079	000	53105200.574500.		58034791	06/02/25	PV	V	HERMSEN, KEVIN P	7860491		21.07
25320	079	000	53105200.574500.		58034806	06/02/25	PV	V	BATIE, ADAM	7860512		63.70
25320	079	000	53105200.574500.		58034822	06/02/25	PV	V	MINSHULL, DEREK	7860530		110.74
25320	079	000	53105200.574500.		58034835	06/02/25	PV	V	JOHNSON, RODNEY D	7860538		60.76
Total for Object			574500 PERSONAL VEHICLE MILEAGE									256.27
25320	079	000	53105200.575100.		58034791	06/02/25	PV	V	HERMSEN, KEVIN P	7860491		2.63
25320	079	000	53105200.575100.		58034835	06/02/25	PV	V	JOHNSON, RODNEY D	7860538		4.72
Total for Object			575100 MISC TRAVEL EXPENSE									7.35
Total for Business Unit		53105200	AMC LICENSING									12,178.78
Total for Division		000										38,157.52
Total for Agency		053	REAL PROPERTY APPRAISER BD									38,157.52

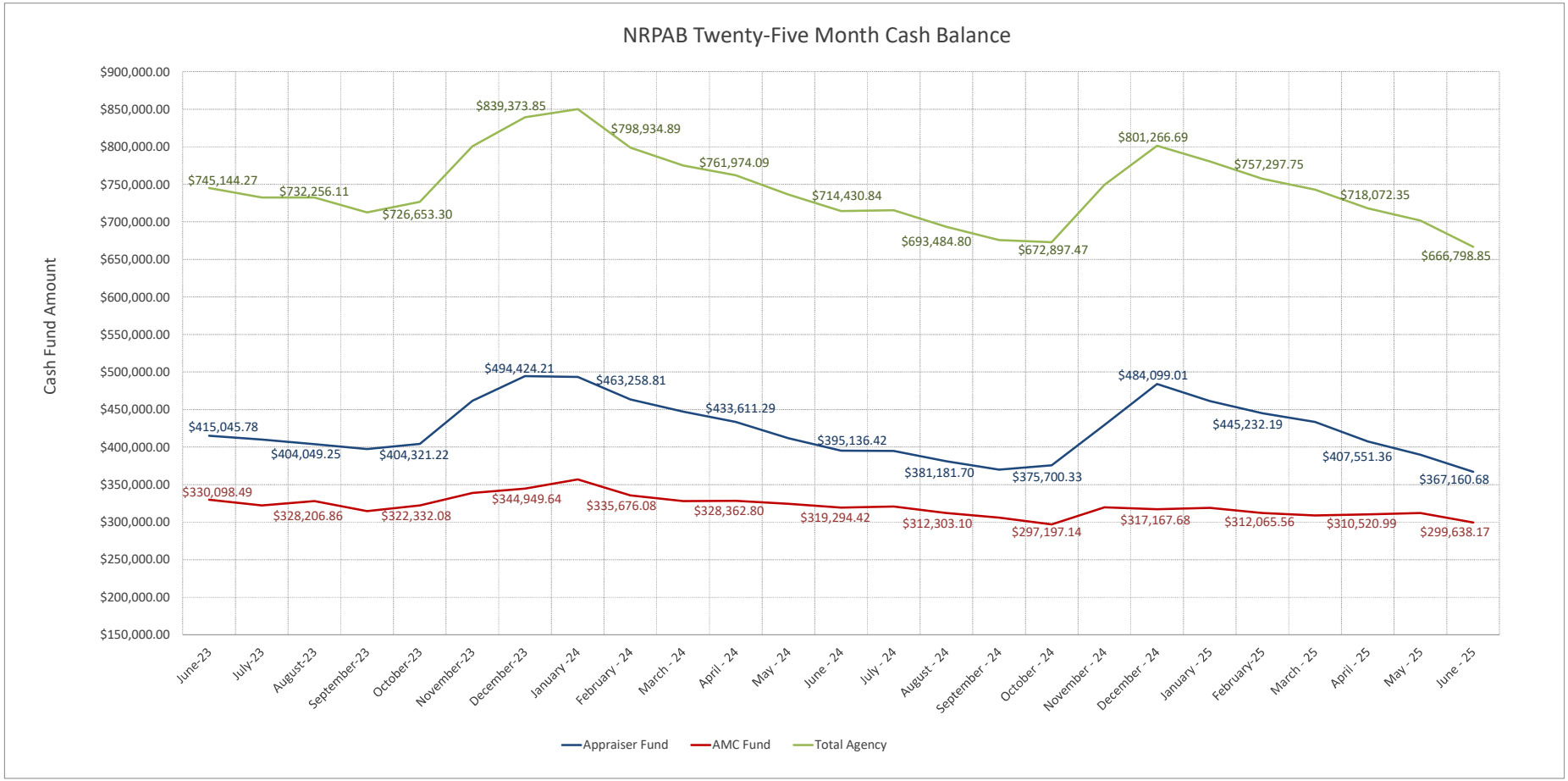
Financial Report and Considerations - Financial Charts



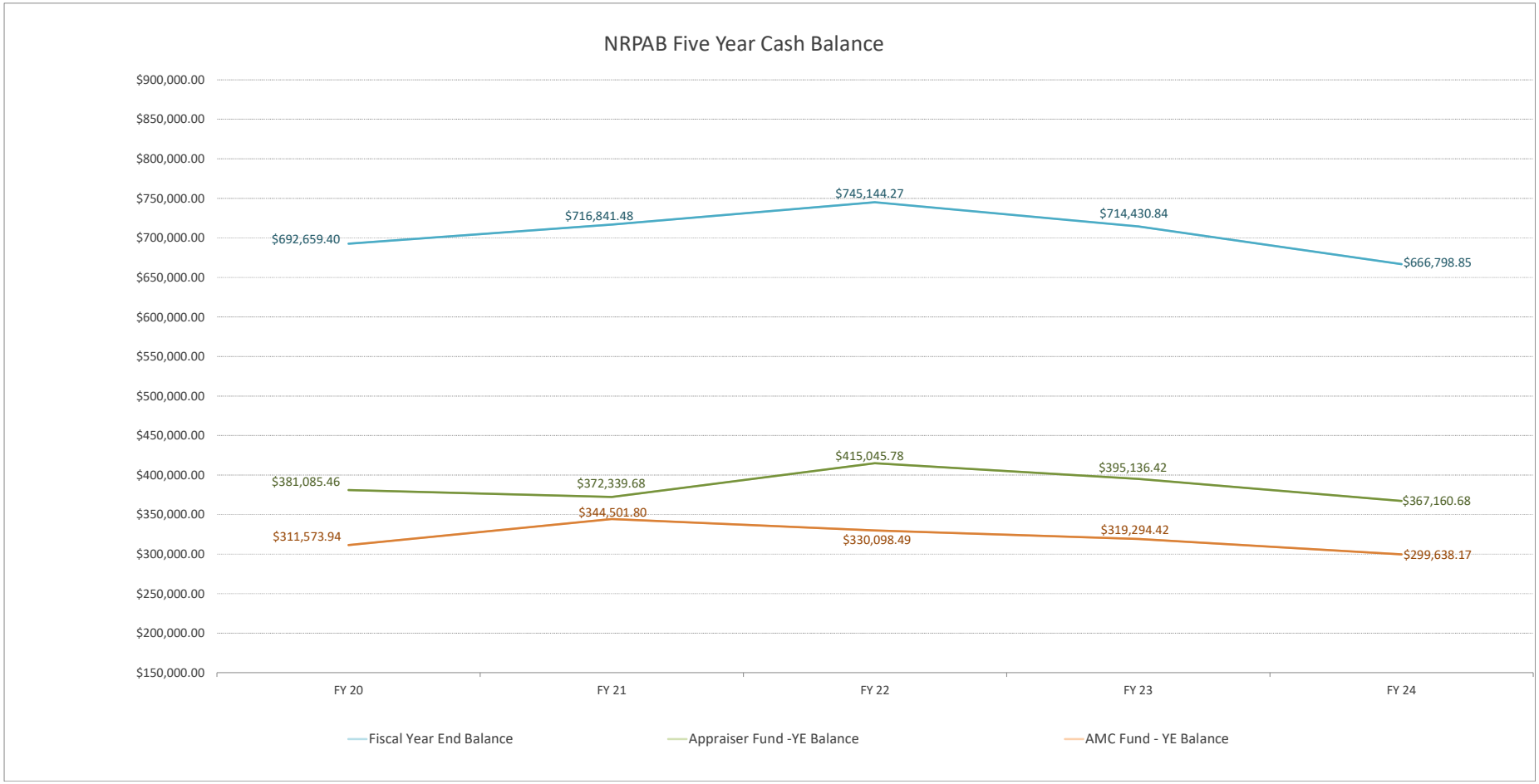
Financial Report and Considerations - Financial Charts



Financial Report and Considerations - Financial Charts



Financial Report and Considerations - Financial Charts



NRPAB
Nebraska Real Property Appraiser Board

FY2025-26 Budget Highlights

Appropriations

	FY2025-26	FY2026-27
CASH FUND	486,797	502,236
PROGRAM TOTAL	486,797	502,236
SALARY LIMIT	254,355	262,040
EST. CARRYOVER ALLOCATION		48,680
TOTAL APPROPRIATION	486,797	550,916

Projected Expenditures and Revenues

- Appraiser and AMC Fund Expenditures: $450,380.00
  Appraiser and AMC Fund Revenues: $385,398.00

- Appraiser Fund Expenditures: $307,671.00
- Appraiser Fund Revenues: $256,873.00

- AMC Fund Expenditures: $142,708.00
  AMC Fund Revenues: $128,525.00

Projected Deficit Budget Request

- Employee Salaries and Benefits ($12,263.00)
  - Agency expense for health insurance increases by 18.5% beyond the amount identified by DAS during the 2025 legislative session for FY2025-26.

Projected Carryover Allocation Use

- Encumbered funds only.

Proposed Budget Bullet Points

- Proposed Budget includes general expenditure allocation of 65% to Appraiser Fund and 35% to AMC Fund.
- Employee Salaries and Benefits ($348,775.00).
- Board Member Per Diem Payments ($7,500.00)
- NRPAB Employee Recognition Program ($2,000.00)
- Board Member Meeting Travel ($12,038.00)
- Legal Services ($20,000.00); Legal Related ($3,000.00)
- Other Contractual Services - CHRC and Appraisal Review Services ($31,023.00)
- CIO – IM Services expenditures, Network Services expenditures, and software ($33,264.00)
- Other Operating Expenses (overage coverage of $251.00)

Proposed Budget Changes

- Budget includes the following changes from the FY 2024-25 base:
  - Salary and Benefits ($17,847.00)
    - Permanent Salaries ($10,163.00), Per Diem Payments (-$100.00), Retirement Plan ($762.00), FICA ($770.00), Health Insurance ($6,432.00), Workers Comp Premiums (-$180.00)
  - Operating Expenses ($6,554.00)
    - CIO Charges ($1,100.00), Publication and Print Expense (-$250.00), Rent Expense ($939.00), Rent Depreciation ($477.00), Office Supplies (-$500.00), Accounting and Auditing ($1,858.00), Purchase Assessment ($2.00), Educational Services (-$17.00), Other Contractual Services ($4,023.00), Insurance Expense ($40.00), Other Operating Expenses (-$468.00).
  - Travel Expenses (-$2,097.00)

Applicant Standard 3 Reviewer Fees/SME Fees

Applicant Reviews	SME
Residential: 4 Hours x $125.00 = $500.00	Residential: 5 Hours x $125.00 = $625.00
2-4 Family: 5 Hours x $125.00 = $625.00	2-4 Family: 5 Hours x $125.00 = $625.00
Agricultural: 10 Hours x $125.00 = $1,250.00	Agricultural: 12 Hours x $125.00 = $1500.00
Commercial: 10 Hours X $125.00 = $1,250.00	Commercial: 12 Hours X $125.00 = $1500.00

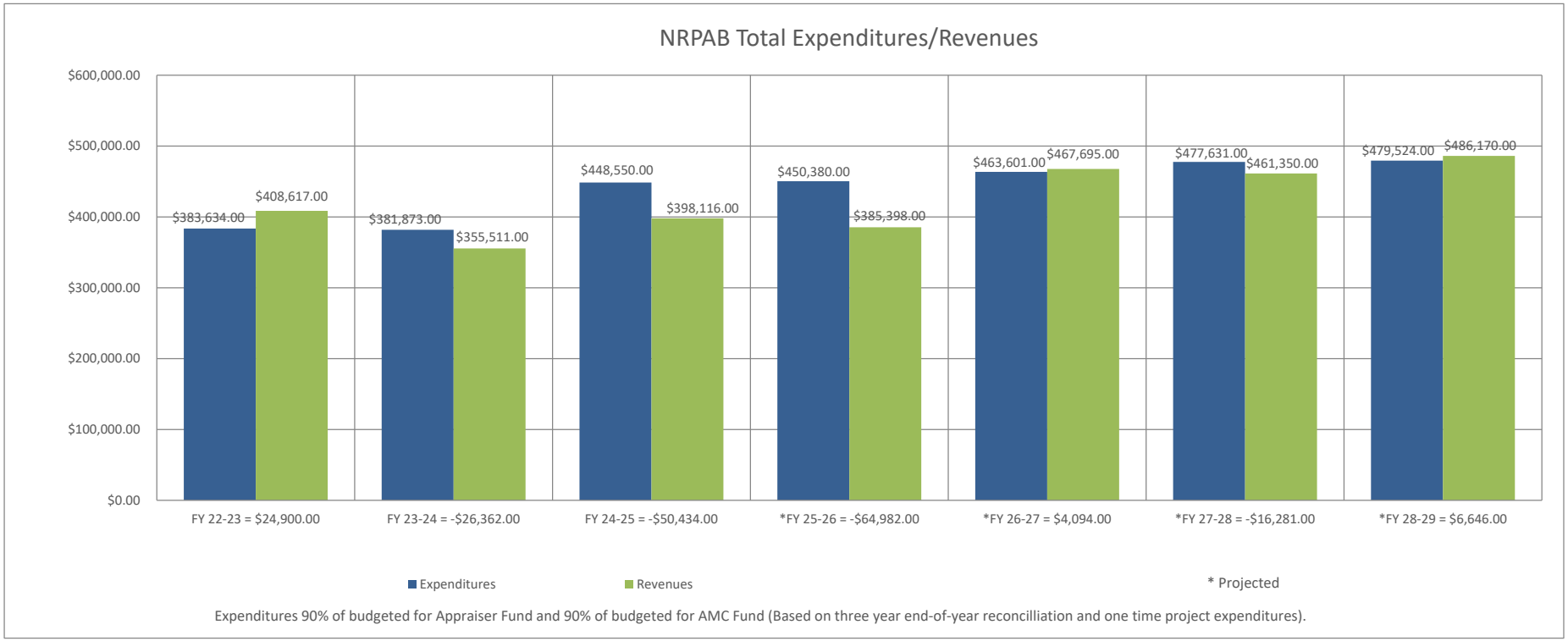
Account	Object Code	Budgeted Fund Types	Budgeted Amount	65.00%	35.00%		Fund Allocation based on time staff allocates to each act for combined expenses. All expenses specific to one fund or another will be applied only to that fund.
Personal Service Expenditures			FY 25-26 Budgeted Amount	Appraiser	AMC	Verification	Notes
25310	511100	Permanent Salaries - Wages	$213,238.00	$138,604.70	$74,633.30	$213,238.00	58.214 x 2080 hours = 121,085.12 ($9,135.00) + LPM - 20.139 x 2080 hours = 41,889.12 (A01014 - 6% + 1 step) + EPM - 20.750 x 2080 = 43,160.00 (A01014 - 6% + 1 step) + BPM - 17.956 x 2080 = 37,348.48 (A19011 - 2.25% - No step increase due to probation period)== 243,482.72
25310	511200	Temporary Salaries - Wages		$0.00	$0.00	$0.00	
25310	511300	Overtime Payments		$0.00	$0.00	$0.00	
25310	511600	Per Diem Payments	$7,500.00	$4,875.00	$2,625.00	$7,500.00	13 meetings x 100 per meeting = 1,300.00 x 5 =6,500.00 + 1,000.00 for other per diems requests == 7,500.00
25310	511700	Employee Bonuses	$2,000.00	$1,300.00	$700.00	$2,000.00	Board request for FY2025-26
25310	511800	Comp Time Payments		$0.00	$0.00	$0.00	
25310	512100	Vacation Leave Expenses	$17,038.00	$11,074.70	$5,963.30	$17,038.00	58.414 x 200 hours= 11,682.80 + LPM - 20.139 x 91 hours = 1,832.65 + EPM - 20.750 x 91 = 1,888.25 + BPM - 17.956 x 91 = 1,634.00 == 17,037.70.
25310	512200	Sick Leave Expenses	$1,950.00	$1,267.50	$682.50	$1,950.00	58.414 x 10 hours= 538.22 + LPM - 20.139 x 24 hours = 483.34 + EPM - 20.750 x 24 = 498.00 + BPM - 17.956 x 24 = 430.94 == 1,950.50.
25310	512300	Holiday Leave Expenses	$11,257.00	$7,317.05	$3,939.95	$11,257.00	58.414 x 96 hours= 5,607.74 + LPM - 20.139 x 96 hours = 1,933.34 + EPM - 20.750 x 96 = 1,992.00 + BPM - 17.956 x 96 = 1,723.78 == 11,256.86.
25310	512500	Funeral Leave Expenses	$0.00	$0.00	$0.00	$0.00	
Personal Service Subtotals			$252,983.00	$164,438.95	$88,544.05	$252,983.00	
Employee Benefit Expenditures							
25310	515100	Retirement Plan Expenses	$18,411.00	$11,967.15	$6,443.85	$18,411.00	State projected rate (7.5%) PSL total - Temporary Salaries - Per Diem Payments = 18,411.23
25310	515200	FICA Expenses	$19,353.00	$12,579.45	$6,773.55	$19,353.00	State projected rate (7.65%) for salaries under $142,200 PSL total - Temporary Salaries = 19,353.20
25310	515400	Life & Accident Ins Expenses	$0.00	$0.00	$0.00	$0.00	
25310	515500	Health Insurance Expenses	$66,162.00	$43,005.30	$23,156.70	$66,162.00	FY25 = TK - $2,647.10 x 12 = 31,765.20 + BPM - 745.66 x 12 = 8,947.92 + EPM - 495.58 x 12 = 5,946.96 + LPM - $2,647.10 x 12 = 31,765.20 === 78,425.28 (78,425.00-66,162.00 = 12,263.00)
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	$1,366.00	$887.90	$478.10	$1,366.00	State projected rate.
Employee Benefit Subtotals			$105,292.00	$68,439.80	$36,852.20	$105,292.00	
Operating Expenses							
25310	521100	Postage Expenses	$2,500.00	$2,250.00	$250.00	$2,500.00	Based on previous expenditures - 90 App /10 AMC allocation.
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	$33,264.00	$21,621.60	$11,642.40	$33,264.00	IM Services Monthy Base Expenditures projections + 1,000.00 per month for database maintanence and small projects - Special Board approved project expenses: 2,475.00 x 12 = 29,700.00 + Network Services (based average per month for FY23-24) 222 x 12 = 2,664.00 + 400.00 for new software + 500.00 for Dreamweaver renewal == 33,264.00.
25310	521500	Publication & Print Expense	$2,750.00	$1,787.50	$962.50	$2,750.00	Based on previous expenditures.
25310	521900	Awards Expense	$50.00	$32.50	$17.50	$50.00	Based on previous expenditures.
25310	522100	Dues & Subscription Expense	$600.00	$390.00	$210.00	$600.00	Based on previous expenditures.
25310	522200	Conference Registration	$0.00	$0.00	$0.00	$0.00	
25310	539500	Purchasing Card Suspense	$0.00	$0.00	$0.00	$0.00	
25320	524600	Rent Expense - Buildings	$13,711.00	$8,912.15	$4,798.85	$13,711.00	1490 Sq ft. x state projected rate of 8.96 per square ft for SOB = 13,351.00 + recoreds storage (30 x12 = 360.00) == 13,711.00
25310	532200	Personal Computing Equip	$0.00	$0.00	$0.00	$0.00	
25320	524900	Rent Exp - Dupr Surcharge	$4,664.00	$3,031.60	$1,632.40	$4,664.00	1490 Sq ft. x state projected estimated rate of 3.13 per square ft for SOB = 4,663.7
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	$1,500.00	$975.00	$525.00	$1,500.00	Based on previous expenditures.

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	$2,986.00	$1,940.90	$1,045.10	$2,986.00	State projected rate.
25310	541200	Purchasing Assessment	$41.00	$26.65	$14.35	$41.00	State projected rate.
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	Base on standard allocation - 90 App/10 AMC allocation.
25310	541700	Legal Related Expense	$3,000.00	$2,700.00	$300.00	$3,000.00	Base on standard allocation - 90 App/10 AMC allocation.
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	$51.00	$33.15	$17.85	$51.00	
25310	554900	Other Contractual Service	$31,023.00	$30,373.00	$650.00	$31,023.00	New Appriaser CHRC - total number of projected applications - 50 x 55.00 = 2,750.00; AMC new CHRC (2 sumission @ 3 per application) x 55 = $330.00; AMC Fingerprint renew - 10 x 55 = 550.00 = 3,630.00 ------ 23,500.00 for applicant reviews --- 5 Grievances (1 Commercial; 1 Ag; 3 Residential) for SME = 4,875.00 == 32,005.50.
25310	555200	Non-Capitalized Software	$0.00	$0.00	$0.00	$0.00	
25310	556100	Insurance Expense	$93.00	$60.45	$32.55	$93.00	
25310	556300	Surety & Notary Bonds	$0.00	$0.00	$0.00	$0.00	
25310	559100	Other Operating Expenses	$251.00	$163.15	$87.85	$251.00	
Operating Expenses Subtotals			**$116,484.00**	**$92,297.65**	**$24,186.35**	**$116,484.00**	
Travel Expenses							
25310	571100	Lodging	$2,970.00	$1,930.50	$1,039.50	$2,970.00	Batie: 110.00 per night for 9 occurances = 990.00 + Johnson: 990.00 per night for 9 occurances = 990.00 + Minshull: 110.00 per night for 9 occurances= 990.00 == 2,970
25310	571600	Meals - Not Travel Status	$0.00	$0.00	$0.00	$0.00	
25310	571800	Meals - Travel Status	$1,928.00	$1,253.20	$674.80	$1,928.00	Batie: State First and Last Day Travel Per Diem 35.70 x 2 = 71.40 x 9 = 642.60 + Johnson: State First and Last Day Travel Per Diem 35.70 x 2 = 71.40 x 9 = 642.60 + Minshull: State First and Last Day Travel Per Diem 35.70 x 2 = 71.40 x 9 = 642.60 == 1,928.00
25310	572100	Commercial Transportation	$0.00	$0.00	$0.00	$0.00	
25310	573100	State-Owned Transportation	$200.00	$130.00	$70.00	$200.00	
25310	574500	Personal Vehicle Mileage	$6,490.00	$4,218.50	$2,271.50	$6,490.00	Batie: 260 miles x .70 = 182.00 per round trip x 9 = 1,638.00; Johnson: 230 miles x .70 = 154.10 per round trip x 9 = 1,386.90; Minshull: 460 miles x .70 = 322.00 per round trip x 9 = 2,898.00; Hermsen: 90 miles x .70 = 63.00 per round trip x 9 = 567.00 == 6,490.00
25310	574600	Contractual Serv - Travel Exp	$0.00	$0.00	$0.00	$0.00	
25310	575100	Misc Travel Expenses	$450.00	$292.50	$157.50	$450.00	Board meeting parking: 10 x 5 = 50 x 9 occurances = 450
Travel Expenses Subtotals			**$12,038.00**	**$7,824.70**	**$4,213.30**	**$12,038.00**	
Capital Outlay							
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	$0.00	
Operating Expenditures Subtotals			**$233,814.00**				
Expenditures Subtotals			**$486,797.00**	**$333,001.10**	**$153,795.90**	**$486,797.00**	
Budget Funds Revenues							
25310	471100	Sale of Services	$450.00	$450.00			Estimated revenue based on three year revenue history.
25310	472200	Reproduction & Publications	$0.00	$0.00			
25310	471120	Qualifying Ed Course Fees	$2,010.00	$2,010.00			Estimated 25 education activities - 200.00 x 2 (non-AQB Approved) + 70.00 x 23 (AQB Approved) = 2,010.00
25310	471121	Continuing Ed New Fees	$6,075.00	$6,075.00			Estimated 90 education activities - 100.00 x 45 (non-AQB Approved) + 35.00 x 45 (AQB Approved) = 6,075.00
25310	471122	Continuing Ed Renewal Fees	$225.00	$225.00			Estimated 15 education activities x 15.00 = 225.00
25310	475150	Certified General New Fees	$9,600.00	$9,600.00			24 new Reciprocal; 6 new E,E,&E x 320.00 = 9,600.00
25310	475151	Licensed New Fees	$640.00	$640.00			0 new Reciprocal; 2 new E,E,&E x 320 = 640.00
25310	475152	Fingerprint Fees	$2,262.50	$2,262.50			50 CHRC Fees for new appraiser applications x 45.25 = 2,262.50
25310	475153	Certified Residential New	$2,560.00	$2,560.00			2 new Reciprocal; 6 new E,E,&E x 320 = 2,560.00

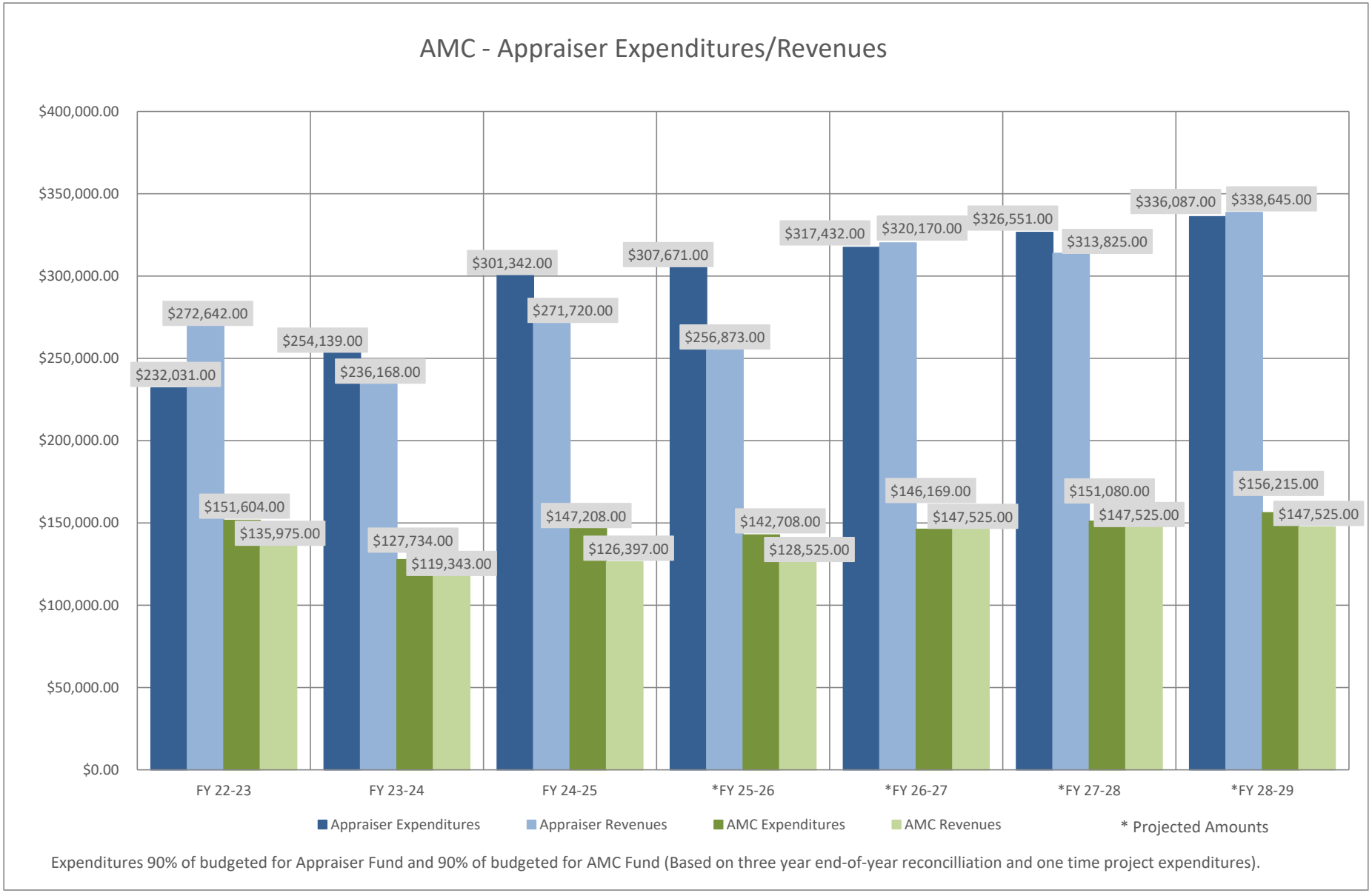
25310	475154	Certified General Renewal	$103,200.00	$103,200.00			100 One Year CG renewals x 300.00 = 30,000.00; 122 Two Year CG Renewals x 600.00 = 73,200.00 == 103,200.00
25310	475155	Licensed Renewal	$8,100.00	$8,100.00			19 One Year LR renewals x 300.00 = 5,700.00; 4 Two Year LR Renewals x 600.00 = 2,400.00 == 8,100..00
25310	475156	Fingerprint Audit Program Fees	$0.00	$0.00			
25310	475157	Certified Residential Renewal	$62,100.00	$62,100.00			75 One Year CR renewals x 300.00 = 22,500.00; 66 Two Year CR Renewals x 600.00 = 39,600.00 == 62,100.00
25310	475159	Temporary Licensed Fees	$0.00	$0.00			
25310	475160	Temporary Cert Residential	$0.00	$0.00			
25310	475161	Temporary Certified General	$11,200.00	$11,200.00			160 new temporary credentials x 70.00 = 11,200.00
25310	475162	Appraiser Trainee	$0.00	$0.00			
25310	475234	Application Fees	$27,700.00	$27,700.00			160 Tempoary credential applications x 120.00 = 19,200.00; 50 Appraiser credential applications x 170.00= 8,500.00 == 27,700.00.
25310	475166	Licensed Inactive	$0.00	$0.00			
25310	475167	Certified Residential Inactive	$0.00	$0.00			
25310	475168	Certified General Inactive	$0.00	$0.00			
25310	476101	App Late Processing Fees	$3,750.00	$3,750.00			Estimated revenue based on three year revenue history.
25320	475163	AMC Registered New Fees	$6,000.00		$6,000.00		3 new AMC registrations x 2,000.00 = 6,000.00
25320	475164	AMC Application Fees	$1,050.00		$1,050.00		3 new AMC applications x 350.00 = 1,050.00
25320	475165	AMC Registered Renewal Fees	$110,500.00		$110,500.00		65/71 AMC renewals x 1,700.00 = 110,500.00
25320	475166	Fed Reg AMC Rpt Form Proc Fees	$700.00		$700.00		2 Federal AMC Report
25320	476101	AMC Late Processing Fees	$275.00		$275.00		Estimated revenue based on three year revenue history.
Budget Fund Revenues Subtotals			**$358,397.50**				
Miscellaneous Revenues							
25310	481100	Appraiser Investment Income	$12,000.00	$12,000.00			Estimated revenue based on three year revenue history. Fund tranfer to redue investment income amounts.
25320	481100	AMC Investment Income	$9,000.00	$0.00	$9,000.00		Estimated revenue based on three year revenue history. Fund tranfer to redue investment income amounts.
25310	485100	Appraiser 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	$5,000.00	$5,000.00	$0.00		Estimated revenue based on three year revenue history.
25320	484500	AMC Reimbursement Non-Govt Sources	$1,000.00	$0.00	$1,000.00		Estimated revenue based on projections (two Cas include cost of investigation at $500.00 each).
25310	486500	Miscellaneous Adjustments	$0.00	$0.00	$0.00		
Miscellaneous Revenues Subtotals			**$27,000.00**				
Other Financial Sources							
25310	491300	Appraiser Sale of Surplus Property	$0.00				
25320	491300	AMC Sale of Surplus Property	$0.00				
25310	493200	Operating Transfers Out	$0.00				
Other Financial Sources Subtotals			**$0.00**				
Revenue Subtotals			**$385,397.50**	**$256,872.50**	**$128,525.00**	**$385,397.50**	
Operation Line Report			**$0.00**	-$76,128.60	-$25,270.90	-$101,399.50	

App FY Expenditures/Revenue w/ Expenditures at 90% of Budgeted + $7,970.00 for unallocated insurance costs ($307,671.00):	-$50,798.50		
AMC FY Expenditures/Revenue w/ Expenditures at 90% of Budgeted + $4,292.00 ($142,708..00):		-$14,183.00	
Total FY Expenditures/Revenue w/ Expenditures + $12,263.00 for unallocated insurance costs (base expenditures only - $450,380.00):			-$64,981.50

Appraiser/AMC Revenues

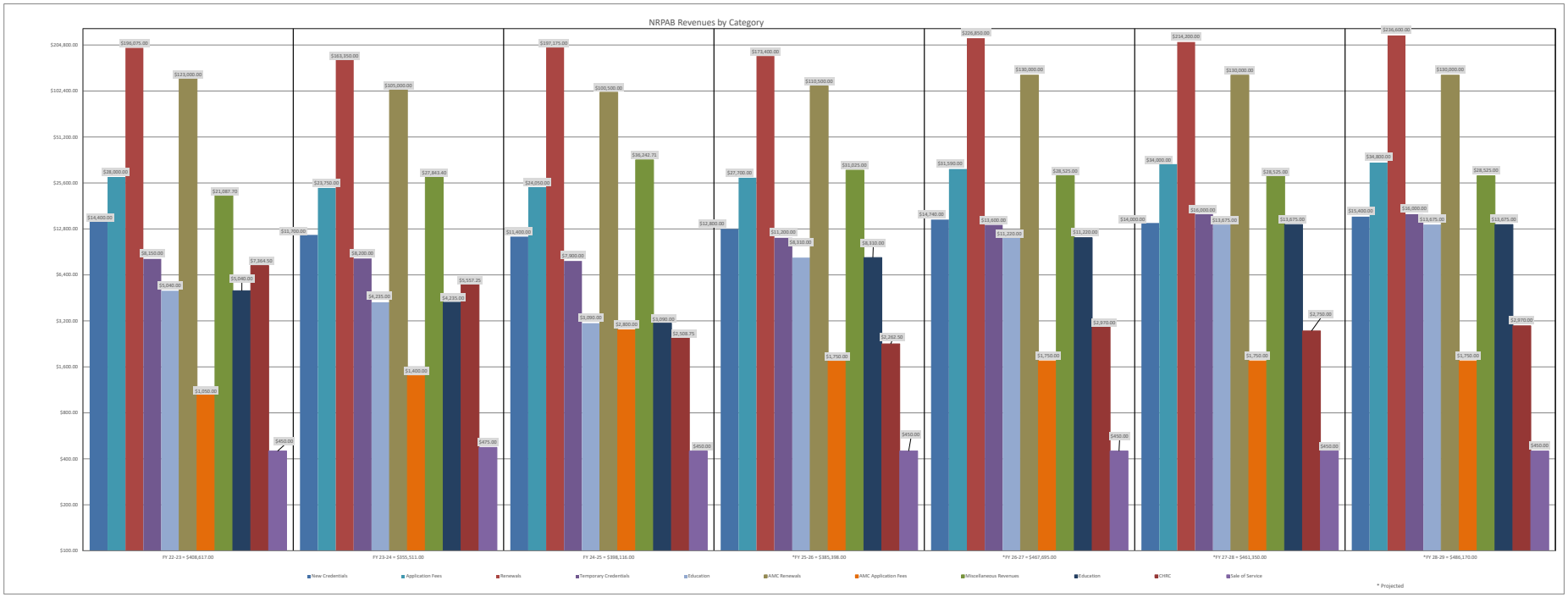


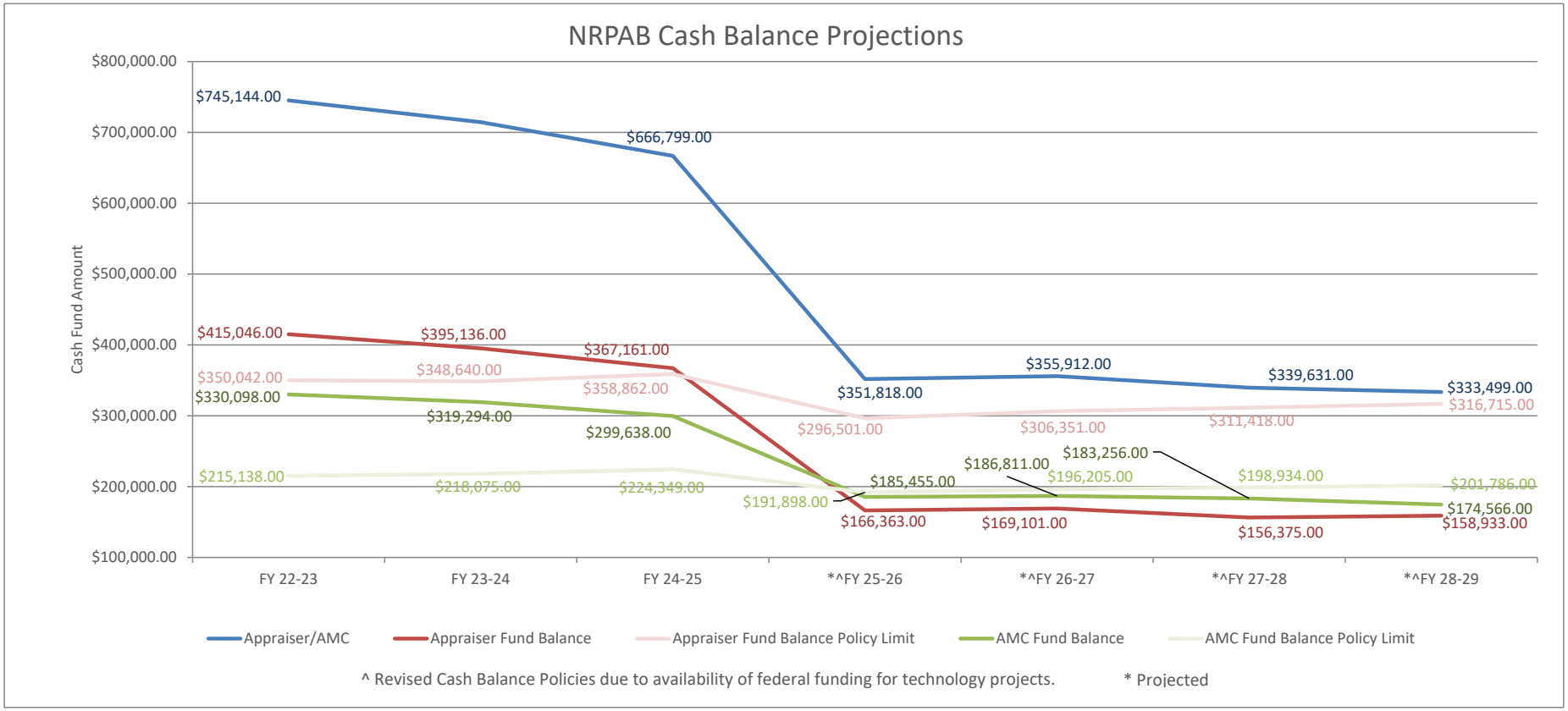
Expenditures 90% of budgeted for Appraiser Fund and 90% of budgeted for AMC Fund (Based on three year end-of-year reconcilliation and one time project expenditures).



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).

NRPAB Financial History/Projections




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
$100,000.00
FY 22-23
FY 23-24
FY 24-25
*^FY 25-26
*^FY 26-27
*^FY 27-28
*^FY 28-29
$745,144.00
$666,799.00
$351,818.00
$355,912.00
$339,631.00
$333,499.00
$415,046.00
$395,136.00
$367,161.00
$166,363.00
$169,101.00
$156,375.00
$158,933.00
$350,042.00
$348,640.00
$358,862.00
$296,501.00
$306,351.00
$311,418.00
$316,715.00
$330,098.00
$319,294.00
$299,638.00
$185,455.00
$186,811.00
$183,256.00
$174,566.00
$215,138.00
$218,075.00
$224,349.00
$191,898.00
$196,205.00
$198,934.00
$201,786.00
Appraiser/AMC
Appraiser Fund Balance
Appraiser Fund Balance Policy Limit
AMC Fund Balance
AMC Fund Balance Policy Limit
^ Revised Cash Balance Policies due to availability of federal funding for technology projects.
* Projected

STATE OF NEBRASKA
Department of Administrative Services
Accounting Division
Budget Status Report
As of 06/30/25

Agency 053 REAL PROPERTY APPRAISER BD
Division
Program 079 APPRAISER LICENSING

Percent of Time Elapsed = 100.00

ACCOUNT CODE	DESCRIPTION	BUDGETED AMOUNT	CURRENT MONTH ACTIVITY	YEAR-TO-DATE ACTUALS	PERCENT OF BUDGET	ENCUMBERANCES	VARIANCE
BUDGETED FUND TYPES - EXPENDITURES							
520000	**OPERATING EXPENSES**						
521400	CIO CHARGES	54,500.00	25,248.00	48,013.50	88.10		6,486.50
522200	CONFERENCE REGISTRATION	1,300.00		1,100.00	84.62		200.00
Major Account 520000 Total		55,800.00	25,248.00	49,113.50	88.02	0.00	6,686.50
570000	**TRAVEL EXPENSES**						
571100	LODGING	1,160.00		1,159.88	99.99		.12
571800	MEALS - TRAVEL STATUS	188.00		211.23	112.36		23.23-
574500	PERSONAL VEHICLE MILEAGE	885.00		885.07	100.01		.07-
Major Account 570000 Total		2,233.00	0.00	2,256.18	101.04	0.00	23.18-
BUDGETED EXPENDITURES TOTAL		58,033.00	25,248.00	51,369.68	88.52	0.00	6,663.32
SUMMARY BY FUND TYPE - EXPENDITURES							
4	FEDERAL FUNDS	58,033.00	25,248.00	51,369.68	88.52		6,663.32
BUDGETED EXPENDITURES TOTAL		58,033.00	25,248.00	51,369.68	88.52	0.00	6,663.32

APPRAISAL SUBCOMMITTEE
FFIEC

Notice of Funding Availability (NOFA)

Fiscal Year 2026

State Appraiser Regulatory Agencies Support (SARAS) Grant

I. Basic Information

A. Federal Agency Name
The Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council (FFIEC).

B. Funding Opportunity Title
Fiscal Year 2026 State Appraiser Regulatory Agencies Support (SARAS) Grant.

C. Announcement Type
Initial

D. Assistance Listing Number
38.006 (State Appraiser Agency Support Grants)

E. Authorizing Authority for the Program
12 U.S.C. 3338(b)(5)

F. Funding Details
Total Agency Available Funding for FY26: $3,000,000

ASC FY26 level of grant funding covers the initial year of a three-year period of performance. Applicants can submit applications in amounts of up to $200,000 per year for up to three years (maximum of $600,000 for three years).

G. Key Dates
1. Application Start Date: June 18, 2025

2. Application Submission Deadline: August 4, 2025 at 5:00 PM ET

   ASC will not review applications that are received after the Application Submission Deadline. ASC may extend the deadline through a written request from an applicant with sufficient justification, such as technical issues outside of the applicant's control that prevented submission of the application by the deadline, or other exigent or emergency circumstances.

3. Anticipated Award Date: No later than October 30, 2025

4. Period of Performance (POP) Start Date: No earlier than October 1, 2025

Applicants will indicate the requested POP start date in the application via Standard Form (SF) 424, Application for Federal Assistance.

5. Period of Performance: 36 months

H. Executive Summary

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as amended (Title XI) established the ASC as a subcommittee of the FFIEC that oversees the real estate appraisal regulatory framework for federally related transactions. The purpose of Title XI[1] was to ensure that federal financial and public policy interests in real estate transactions would 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. One of ASC's core functions is to monitor the requirements established by the States for the certification and licensing of appraisers qualified to perform appraisals in connection with federally related transactions. The recipient in each State would be its appraiser certifying and licensing agency (State Agency). Grant funding is made available to help State Agencies comply with their Title XI requirements[2], which ultimately helps to ensure that real estate appraisals for federally related transactions are completed with integrity, quality, and consistency.

I. Agency Contact Information

The Grants Management Office (GMO) serves as the ASC primary point of contact for all aspects of grant awarding, management, and administration. This office is under the leadership and direction of the ASC Grants Director, Regeane Frederique.

ASC Grants Management Office (GMO) Main Contact:
Karla Cisneros, Grants Management Specialist
Grants@asc.gov

II. Eligibility

A. Eligible Applicants

State appraiser certifying and licensing agencies, as defined in Title XI § 1121(1), 12 U.S.C. 3350, subject to oversight by ASC and with the jurisdiction for (1) credentialing and supervising certified and licensed real estate appraisers eligible to perform appraisals for federally related transactions as defined in Title XI § 1121(4), 12 U.S.C. 3350; and/or (2) registering and supervising Appraisal Management Companies (AMCs) are eligible to apply.

[1] Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), Title XI § 1109 (b)(4), 12 U.S.C. 3338.
[2] See 12 U.S.C. 3338(b)(5).

Please note that being delinquent on your ASC appraiser and AMC fees disqualifies you from applying for and/or receiving an ASC grant.

Eligible applicants must be located within any of the fifty 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.

B. Cost Sharing

Although applicants are not required to provide a cost share, applicants are encouraged to provide a cost share of at least 10% of the Grant. ASC will be instituting mandatory cost share requirements for future SARAS NOFA announcements and plans to engage ASC stakeholders in establishing the final mandatory cost share percentage.

III. Program Description

A. Purpose

ASC makes awards to support the efforts of eligible State Agencies to comply with Title XI requirements, including the following two areas of support[3]:

> 1. The complaint process, complaint investigations, and appraiser enforcement activities of such agencies; and
> 2. The submission of data on State licensed and certified appraisers and AMCs to the National Registries, including information affirming that the appraiser or AMC meets the required qualification criteria and formal and informal disciplinary actions.

In addition to the statutorily defined areas of support, ASC will use its authority to support the efforts of such agencies to comply with the statute by making grants that improve the State regulation of appraisers and AMCs. ASC may periodically identify additional activities it will fund to support these goals consistent with 12 U.S.C. 3338(b)(5).

B. Funding Priorities

ASC will prioritize funding awards that commit to improve:

1. State real estate appraiser and AMC complaint processes, investigations, and/or enforcement activities. Examples may include:
    i. Enhancing the complaint intake process for allegations of violations of appraisal independence;
    ii. Improving investigations of complaints against State Agencies and registered AMCs by upgrades to technology; and
    iii. Implementing procedures to reduce complaint backlog.

[3] See 12 U.S.C. 3338(b)(5).

2. The process for data submission to the National Registries (certified and licensed appraisers and registered AMCs), examples may include:
    i. Transitioning to the use of software application programming interfaces to improve the integration of data, services, and functionalities from system applications; and
    ii. Implementing use of unique identifiers among appraisers to better manage and track data.
3. Management of the compliance activities of State Agencies. Examples may include:
    i. Increasing the capacity of States to regulate appraiser and AMC programs; and
    ii. Developing staff professional skills through participation in Training Events such as trainings, meetings, symposiums, seminars or conferences;
4. The State Agency's overall process or infrastructure to ensure compliance with statutory requirements, including the requirements set forth in the ASC Policy Statements. Examples may include:
    i. Improving the processing of requests for temporary practice permits, e.g., within five (5) business days of receipt of a completed application; and
    ii. Developing education on common appraiser practice violations.

C. Program Goals and Objectives

By providing federal financial assistance to State Agencies, ASC seeks to provide support to the State Agency's ability to build capacity and/or maintain compliance with their statutory requirements, which ultimately supports the real estate appraisal framework. Grant funding for State Agencies will help:

1. Enhance and support the operation of State Agencies to ensure that real estate appraisers comply with the federal and state requirements;
2. Improve the quality and consistency of the real estate appraisal process to maintain standards and reduce the risk of errors in property valuation;
3. Fund education, outreach, and training initiatives to ensure that both appraisers and regulators are well-versed in evolving standards and practices; and
4. Foster greater compliance with federal and state laws as those pertaining to the Real Estate Reform Act and the Dodd-Frank Act.

D. Performance Measures Outcomes

ASC Grant funding to the State Agency will result in at least one of the following performance outcomes:

1. *Performance Measure 1:* Enhanced compliance with statutory requirements.
2. *Performance Measure 2:* Raising standards of appraisal quality, reducing errors, and addressing evolving market demands by completing appraiser education and training.

3. *Performance Measure 3:* Improved data sharing by promoting the development and adoption of technology tools and platforms that enhance the efficiency, accuracy, and transparency of the appraisal process.

E. Funding Restrictions and Costs

ASC can only approve projects per the requirements of 12 U.S.C. 3338(b)(5)) and the priorities set forth in this NOFA. Costs should comply with the Uniform Administrative Requirements, Cost Principles, and Audit requirements of 2 C.F.R. 200, the ASC Grants Handbook Ver. 2, and the Terms and Conditions of the award. Supplanting is prohibited. The ASC Grant Program is meant to supplement the State Agencies' efforts and not replace State appropriated funds. In addition, federal funds may not be used to sue the Federal Government or any other government entity. Also, State Agencies must certify that that they do not operate any programs promoting Diversity, Equity, and Inclusion (DEI) that violate any applicable Federal anti-discrimination laws.

Per 2 C.F.R. 200.400, federal funds made available through this award shall be administered using sound management practices in a manner consistent with underlying agreements and program objectives. It is the grantee's responsibility to ensure that ASC funds are used only for costs incurred in accordance with the applicable cost principles, meaning the costs are (1) reasonable: generally recognized as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business; (2) allocable: incurred specifically for this award in whole or clearly identifiable proportional part; and (3) allowable: conform to any limitations in this award. The ASC reserves the right to make a final determination on the allowability of costs.

Costs must be incurred during the approved Budget Period and be adequately documented. Costs allocated may not also be allocated to another U.S. federal award and may not be used to meet the cost sharing or matching requirements of any other U.S. federally-financed program.

In determining if costs are allowable, the costs must:

i. Be necessary, reasonable, and allocable to the work covered by the SARAS Grant program;
ii. Conform to any limitations or exclusions set forth in 2 C.F.R. 200 or in this Grant program as to types or amount of cost items;
iii. Consistent with both grant and ASC policies, regulations, and procedures that applies to both federally funded activities and other activities of the non-federal entity;
iv. Be consistently budgeted as a certain cost;
v. Treated in conformance with generally acceptable accounting principles;
vi. Not included in the cost of any other federally funded activity;
vii. Adequately documented;

viii. Be incurred during the approved budget period[4]

Unallowable Costs for this NOFA: (1) **Alcoholic Beverages;** (2) **Bad Debts:** debts which have been determined to be uncollectable, including losses (whether actual or estimated) arising from uncollectable accounts and other claims, are unallowable. Related collection costs, and related legal costs, arising from such debts after they have been determined to be uncollectable are also unallowable; (3) **Construction Costs;** (4) **Clothing; (5) Entertainment Costs:** cost of entertainment including amusement, diversion, and social activities and any associated costs are unallowable; (6) **Fines;** (7) **Legal Costs:** Legal costs incurred in defending or prosecuting claims, whether equitable or monetary, including administrative grant appeals; (8) **Lobbying Costs:** Lobbying costs associated with obtaining federal assistance awards or general executive lobbying costs incurred in attempting to improperly influence, either directly or indirectly, an employee or officer of the executive branch of the Federal Government to give consideration or to act regarding a federal award or a regulatory matter; (9) **Program Income:** Gross income earned by the non-federal entity or recipient that is directly generated by a supported activity or earned as a result of the federal award during the period of performance; (10) **Real Property;** (11) **Scholarships/Stipends;** (12) **Supplanting:** The practice of using federal funding to replace already approved/appropriated state, local, tribal funds for the same activity; and (13) **Unrelated Costs:** Costs that do not support the program or are not approved by ASC.

IV. Application Content and Format

The following elements comprise the entire application package:

1. SF-424, Application for Federal Assistance;
2. SF-424A, Budget Information for Non-Construction;
3. ASC Budget Narrative Worksheet;
4. Application Narrative/Statement of Work/Work Plan- There is not a standard form, however, a written narrative should be submitted using MS Word or a similar application.
    i. **Statement of Need** – describes the problem or gap that the State Agency is trying to address. This should include the reference to Title XI that identifies this requirement.
        (1) Projects intending to use SARAS Grant funds for Training Events must include in their proposals the name of the Training Event, the Training Event vendor or supplier, the dates of the Training Event, the

[4] Administrative closeout costs may be incurred until the due date of the final report(s). If incurred, these costs must be liquidated prior to the due date of the final report(s) and charged to the final budget period of the award unless otherwise specified by the ASC. At its discretion, the ASC may waive prior written approvals to carry forward unobligated balances to subsequent budget periods. See § 200.308(g)(3).

title or position of the staff participant, and a statement on how staff participation at the Training Event will benefit the State Agency. Funding is limited to no more than three (3) participants at the same Training Event.

ii. **Objectives/Measurable Accomplishments** identify what the program sets to accomplish by the end of the grant's period of performance and include the organizations and/or offices involved and their specific roles and responsibilities in ensuring the success of the State Agency's program.

iii. **Methodology Plan** must include details of how the program will be executed in order to meet the defined objectives/measurable accomplishments. This should include:

(1) Milestone activities and schedule that include completion dates.

(2) A proposed list of contracts and/or memorandums of understanding (MOU) that will be executed between the State Agency and vendors and/or collaborators. The list should include the legal names of all organization(s)/vendor(s)/collaborator(s).

iv. **Evaluation Plan** identifies the process in place that ensures that the State Agency will monitor and track progress in accomplishing the defined established goals and objectives set forth in the program.

5. SF-424B- Assurances for Non-Construction Programs ;
6. Disclosure of Lobbying Form (SF-LLL);
7. Negotiated Indirect Cost Rate Agreement (NICRA) (if applicable)

Please note that all the Standard Forms (SF) can be found on the ASC website at https://www.asc.gov/grants/state-programs.

By submitting an application, applicants agree to comply with the requirements of this NOFA and the terms and conditions of the award, should they receive an award.

V. Submission Requirement and Deadlines

A. Request Application Package

B. Please note that all the Standard Forms (SF) can be found on the ASC website at https://www.asc.gov/grants/state-programs or you can make a request to Grants@asc.gov

Unique Entity Identifier[5] and System for Award Management (SAM.gov)[6]

[5] Unique Entity Identifier means the identifier assigned by SAM.gov to uniquely identify business entities.

[6] System for Award Management (SAM.gov) means the federal repository into which the Awardee must provide the information required for the conduct of business as a recipient of U.S. federal funds. Additional information about registration procedures may be found at https://www.sam.gov.

Each applicant must:

1. Be registered in *SAM.gov* before submitting its application;
2. Provide a valid unique entity identifier in its application; and
3. Continue to maintain an active registration in SAM.gov with current information at all times during which it has an active federal award or an application or plan under consideration by a federal agency.

Specific instructions on how to apply for, update, or verify an UEI number or SAM.gov registration are found at https://sam.gov/content/entity-registration

Applying for an award under this grant program is a multi-step process and requires time to complete. Applicants are encouraged to register early with SAM.gov as the registration process can take time to complete. Therefore, registration should be done in sufficient time to ensure it does not impact on the applicant's ability to meet required submission deadlines.

Failure of an applicant to comply with any of the required steps for submitting an application before the Application Submission Deadline may disqualify that application from funding.

Applicants are advised that ASC may not make a federal award until the applicant has complied with all applicable SAM.gov requirements. Therefore, an applicant's SAM.gov registration must be active not only at the time of application, but also during the application review period and when ASC is ready to make a federal award. Further, as noted above, an applicant's or recipient's SAM.gov registration must remain active for the duration of an active federal award. If an applicant's SAM.gov registration is expired at the time of application, expires during application review, or expires any other time before award, ASC may determine that the applicant is not qualified to receive a federal award and use that determination as a basis for making a federal award to another applicant.

Per 2 C.F.R. § 25.110(c)(2)(iii), if an applicant is experiencing exigent circumstances that prevent the applicant from obtaining an UEI number and completing SAM.gov registration prior to receiving a federal award, the applicant must notify ASC as soon as possible by contacting Grants@asc.gov and providing the details of the circumstances that prevent completion of these requirements.

C. Submission Instructions

The grant application package must be emailed to Grants@asc.gov. The subject line of the email should indicate "FY26 SARAS Application."

D. Submission Dates and Times

As mentioned in the Key Dates section above, the application deadline is August 4, 2025 at 5:00 PM ET

E. Intergovernmental Review

This funding opportunity is not subject to Executive Order 12372 "Intergovernmental Review of Federal Programs."

VI. Application Review Information

A. Eligibility Review

Once applications are submitted to ASC, GMO staff will review the application and validate eligibility per section II of this NOFA, and completeness. Ineligible and incomplete applications will not be considered for funding. GMO will notify applicants in writing if an applicant is ineligible. If an application is eligible but incomplete, GMO will notify the applicant of the required information needed with an associated deadline in order to deem the application complete.

B. Review Criteria

ASC needs to ensure that it is funding sound, well-coordinated projects. Projects should be developed in consultation with the applicant's Procurement, Budget/Finance, Legal, and/or Grants Management Offices, as appropriate. Projects also need to support State Agency compliance with 12 U.S.C. 3338(b)(5) including: 1. the complaint process, complaint investigations, and appraiser enforcement activities of such agencies; and 2. 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.

ASC's GMO will coordinate with other ASC staff, such as the program managers who are responsible for conducting State compliance reviews and/or any appropriate subject matter experts (SMEs), to review the Statement of Work and budget submitted and ensure compliance with the priorities and objectives set in this NOFA and 2 C.F.R. 200.

ASC's GMO assesses the proposed budget to ensure that it is adequately justified expenses are reasonable, allocable, necessary, and comply with NOFA and 2 C.F.R. 200 requirements. Additionally, GMO reviews narratives/SOWs to ensure the purpose of the project, goals and objectives and the rationale are clearly explained. The assessment ensures that the project outcomes, timelines, and milestones are stated, measurable, and likely to be achieved.

Upon completion of the GMO review, the second-level review comprises of SMEs and other ASC staff who evaluate the proposals for compliance. For proposals that include technology enhancements, our assessment will include ASC's technology expert.

C. Review and Selection Process

Once an application has been deemed as eligible and the GMO and SMEs have completed their reviews, the application is ready for ASC legal review by our Office of General Counsel who will also ensure any conflicts of interest concerns or outstanding questions have been satisfactorily addressed by the applicant. A conflict of interest occurs when an individual or entity has private interests (i.e., self-serving) that could improperly influence, or be seen to influence, their decisions or actions in the performance of their professional duties. If during the grant application review phase, ASC staff identify any conflicts of interest, the GMO will

communicate the concern to the applicant and allow it an opportunity to address how it plans on managing or mitigating the conflict of interest. The applicant's response will be reviewed by ASC. If it is determined that a special condition needs to be placed on an award due to this review, it will be reflected in the terms and conditions of the grant award as a special condition as outlined in 2 C.F.R. § 200.208 Special Conditions.

The GMO will work with the applicant to address any concerns identified. Once the legal review is completed, the application will be forwarded to the ASC Executive Director for final approval and agency execution.

D. Risk Review

Prior to making a federal award, federal awarding agencies are required by 31 U.S.C. 3354, as enacted by the Payment Integrity Information Act of 2019, Pub. L. No. 116-117 (2020); 41 U.S.C. 2313; and 2 C.F.R. § 200.206 to review information available through any Office of Management and Budget (OMB)-designated repositories of governmentwide eligibility qualification or financial integrity information, including whether the applicant is suspended or debarred.

ASC may also pose additional questions to the applicant to aid in conducting the pre-award risk review. Therefore, application evaluation criteria may include the following risk-based considerations of the applicant:

1. Financial stability;
2. Review of past ASC Compliance Reviews, Program Worksheets, and ASC Compliance Ratings;
3. Quality of management systems and ability to meet management standards;
4. History of performance in managing federal award;
5. Reporting of any findings from audits; and
6. Ability to effectively implement statutory, regulatory, or other requirements.

VII. Award Notices

A. Notice of Grant Award

The Notice of Grant Award (NGA) will be signed by the ASC Executive Director and emailed to the applicant's authorized representative for signature. Before accepting the award by signing the NGA, the recipient should carefully read the award package. The package will include the NGA, approved budget, and terms and conditions. **The recipient accepts all conditions in this NOFA, the ASC Grants Handbook Ver 2, and the Terms and Conditions in the NGA to receive an award under this SARAS Grant program.**

Recipients must sign and return the award package no later than 30 calendar days from the award date. The recipient must also follow the steps in establishing a Payment and Management System (PMS) account as outlined in section 4.4.1 of the ASC Grants

Handbook Ver. 2. Requesting funds via the PMS also serves as acceptance of all the terms of the award.

B. Administrative and ASC Terms and Conditions

In addition to the requirements in this section of this NOFA and the administrative requirements outlined in the 2 C.F.R. Part 200, Recipients will also have to comply with the ASC General Terms and Conditions. These specific terms and conditions will be clearly stated in the award package at the time of the award.

C. Payment Management System (PMS)

ASC will use the Department of Health and Human Services (DHHS) PMS system for both grant reporting and recipient drawdown of grant funds. The One DHHS helpdesk for PMS provides support Monday-Friday, 7am-9pm EST. The helpdesk can be reached by phone 1-877-614-5533, press option 3 or PMSsupport@psc.gov. There is also a Self Help Web Portal available 24 hours a day, seven days a week, at https://pms.psc.gov/support/help-desk.html.

D. Monitoring and Oversight

When the grant is awarded, ASC GMO will create a monitoring tool to identify approved projects with associated milestones under the grant award. That tool will be used to review the bi-annual progress reports and financial status reports submitted to ASC by the recipient to monitor and track grant activities and accomplishments of the grant. If challenges or discrepancies are identified, ASC will notify the grant recipient and work on resolving or instating any corrective action plans as needed.

Per 2 C.F.R. §§ 200.328-200.329, ASC, through its authorized representatives, may conduct site visits or conduct desk reviews to review grant project accomplishments and management control systems to review award progress and provide any required technical assistance. During these reviews, the ASC GMO staff will review recipients' files related to the award. As part of any monitoring and program evaluation activities, recipients must permit authorized ASC staff, upon reasonable notice, to review grant-related records and to interview the organization's staff and contractors regarding the program. Recipients must respond in a timely and accurate manner when ASC requests information pertaining to the grant award.

VIII. Post-Award Requirements and Administration

A. Administrative and National Policy Requirements

Please see https://www.asc.gov/resources/governance specifically and https://www.asc.gov generally concerning any ASC laws or Policy Statements that could apply to the specific subject matter of an ASC grant.

By signing this award or accepting funds under this award, recipients will assure ASC that they will comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located at 2 C.F.R. Part 200. [7]

B. Reporting

1. Semi-annual Reports

   Recipients are required to submit semi-annual financial status report (SF-425) and progress reports (ASC-PR) as a condition of award acceptance. Those reports are submitted electronically on the PMS system. The progress report is submitted as an attachment to the financial status report in the system. Future awards and funds drawdown may be withheld if these reports are delinquent. Refer to the ASC Grants Handbook Ver. 2, section 5.1.4 Reporting Requirements for additional information.

   Reporting period 04/01 to 09/30 is due 10/30
   Reporting period 10/01 to 03/31 is due 04/30

2. Final Reports

   Recipients' final reports are due 120 calendar days after the end of the period of performance. The Recipient will submit a final financial status report (SF425) and a final progress report. Please refer to the ASC Grants Handbook Ver. 2 for additional information regarding semi-annual and final report requirements.

IX. Other Information

A. ASC Grants Handbook

The ASC Grants Handbook serves as a resource for applicants and recipients on grant policies and procedures for managing ASC grants. The handbook can be found on our website www.asc.gov/grants.

B. Termination Provisions

ASC may terminate a federal award in whole or in part for any of the reasons outlined in 2 C.F.R. § 200.340 Termination and the General Terms and Conditions of the award.
If a recipient fails to comply with the terms and conditions of a federal award, ASC may terminate the award in whole or in part. If the noncompliance can be corrected, ASC may first attempt to direct the recipient to correct the noncompliance. If the noncompliance cannot be corrected or the recipient is nonresponsive, ASC may proceed with a remedy notification, which could impose a remedy based on noncompliance per 2 C.F.R. § 200.339 Remedies for Noncompliance.

[7] See https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1

C. Period of performance (POP) Extensions

Time extensions to the POP are permitted for this program. Extensions will only be considered through a formal written request of the recipient's authorized representative or designee. The extension request should include the following information:

1. The grant program, budget year, and grant award number;
2. The reason for the delay, which may include any details of the legal, policy, or operational challenges;
3. The status of all the activities;
4. The amount of funds expended to date;
5. The remaining balance of unspent funds;
6. A budget outlining how remaining grant funds will be expended;
7. A plan for completion, including milestones and timeframes for achieving each milestone and position or person responsible for implementing the plan for completion; and
8. A certification that the activities will be completed within the extended period of performance.

D. Grant Closeout

At the end of the POP, the recipient will have 120 calendar days to submit the request to closeout letter, the final federal financial report (SF-425) and final progress report (ASC-PR) to the PMS system. Both reports should be marked "final". The request to closeout letter must be signed by the recipient's authorized representative. The federal financial report should be cumulative for the entire period of performance. The final progress report should list all the accomplishments of the grant for the entire period of performance. Additional requirements are listed in the ASC Grants Handbook Ver. 2 under Chapter 6.

E. Records Retention

Federal award records should be retained for a period of three years from the date of the submission of the final reports. However, if the non-federal entity's requirements are more restrictive than three years, the organization must follow the more stringent requirement.

From:	Regeane Frederique
To:	Kohtz, Tyler
Subject:	Re: FY26 SARAS NOFA
Date:	Tuesday, July 8, 2025 8:09:05 AM
Attachments:	image003.png

Correct. Those are still fundable projects.

From: Kohtz, Tyler <tyler.kohtz@nebraska.gov>
Sent: Tuesday, July 8, 2025 9:00 AM
To: Regeane Frederique <Regeane@asc.gov>
Subject: RE: FY26 SARAS NOFA

Thank you very much, Rae. This information is very helpful. I have one more quick question; it doesn't appear that there was any alteration in the FY26 SARAS NOFA that would affect the Board's ability to submit future technology projects (similar to those currently in progress on the FY24 SARAS) or AARO Conference travel. Is this correct?

Regards,

Tyler Kohtz
Executive Director
Nebraska Real Property Appraiser Board



From: Regeane Frederique <Regeane@asc.gov>
Sent: Tuesday, July 8, 2025 7:34 AM
To: Kohtz, Tyler <tyler.kohtz@nebraska.gov>
Cc: Karla Cisneros <Karla@asc.gov>
Subject: Re: FY26 SARAS NOFA

Hi Tyler,

That is correct. Our Office of General Counsel (OGC) advised our leadership that this priority was not authorized under our statute. For those grant recipients that were awarded funding for that priority under the FY24 NOFA, we had to work with them to rescope those projects to allowable projects. That is why you don't see it as a priority in this new NOFA.

Please let me know if you have any further questions or concerns. Yesterday, an announcement was made that we will be conducting a kick-off meeting next Tuesday at 2 pm ET. If your time permits, please register and listen in. We will go over highlights of

the NOFA and answer any questions you may have as you consider to apply.

Best,

Rae

From: Kohtz, Tyler <tyler.kohtz@nebraska.gov>
Sent: Monday, July 7, 2025 8:22 AM
To: Regeane Frederique <Regeane@asc.gov>
Subject: FY26 SARAS NOFA

Hi Rae,

I was reviewing the FY26 SARAS NOFA and noticed that the language, “reducing barriers to entry into the real estate appraiser profession to assure the availability of State certified and licensed appraisers for the performance of appraisals in federally related transactions” and “Stipends: fixed amount of money paid to trainees, students, and/or interns for their participation in a training program” was not included as in previous NOFAs. In the FY26 SARAS NOFA “Scholarships/Stipends” are included in unallowable costs. Am I correct that submitting projects to assist aspiring appraisers in fulfilling the required education and experience to become a licensed or certified appraiser or supervision of aspiring appraisers would not be acceptable under this NOFA?

Regards,

Tyler N. Kohtz
Executive Director
Nebraska Real Property Appraiser Board
301 Centennial Mall South, First Floor
Lincoln, NE 68509-4963
Phone: (402) 471-9015
Email: tyler.kohtz@nebraska.gov
Website: appraiser.ne.gov
Visit NRPAB on Facebook



The Appraisal FOUNDATION

Authorized by Congress as the Source of Appraisal Standards and Appraiser Qualifications

April 15, 2025

Dear State Regulator Community,

As key partners in strengthening public trust and upholding standards of excellence in the appraisal profession, The Appraisal Foundation has consistently supported state regulators with tools to carry out their enforcement authority. Today, we're taking that commitment a step further.

We are pleased to announce the formation of a State Harmonization Task Force focused on identifying and assisting states in removing unnecessary regulatory overlays that may be creating unintended barriers to entry into the profession—particularly in the area of mass appraisal.

This initiative is rooted in the Foundation's strategic plan, which calls for building a strong new generation of appraisers to further public trust in the profession. By working together to streamline state-level requirements that exceed AQB criteria, the Task Force aims to:

- Expand access to licensure
- Increase the number of qualified appraisers
- Align with the evolving needs of the profession

We know many states—both large and small—are already leading the way. We want to share their successes, provide resources and tools, and help more states modernize their approaches.

While the State Harmonization Task Force will ultimately focus on all licensure requirements that exceed the criteria, we are beginning with ad valorem experience and mass appraisal pathways. These areas represent an existing pool of highly qualified applicants who are ready to join the profession—and we want to help states recognize and leverage this opportunity.

Mass appraisers bring skill sets that are well-aligned with the evolving demands of the profession—from the increased use of data and analytics to the technological fluency expected in modern valuation practice. These competencies are especially relevant as the profession adapts to new methodologies and changing expectations. This Task Force isn't just highlighting the issues—we're developing solutions and practical steps to help states take action.

We'll be sharing more during the AARO Virtual Conference on April 28th. In the

meantime, we encourage you to look for a follow-up communication that will include resources, graphics, and opportunities to engage.

Together, we can make the profession more accessible, better aligned with today's needs, and prepared for the future.

Sincerely,



Peter Fontana
Chair
State Harmonization Task Force

The Importance of Harmonizing State Qualification Criteria

Only nine states in the US accept the AQB's minimum criteria without overlays. Today these overlays are creating barriers to entry that could prevent a new generation of appraisers from joining this dynamic profession.

Losing key talent

By creating additional barriers to entry, states risk losing out on young, talented workers who may be perfectly suited to the appraisal profession as they pursue careers with fewer regulatory burdens

Shrinking appraisal workforce

As the appraiser workforce ages, more and more appraisers are retiring without new appraisers coming into the profession to fill that gap.

Economy at risk

Fewer entrants and more retirements means more chance of there being a shortage of appraisers who can provide independent, unbiased opinions of value on housing transactions, potentially putting the state's economy at risk

Difficult to administer programs

Overlays can make your state regulatory program more difficult to administer, creating challenges in applying regulatory tools and resources from the Foundation.

How We Can Help!

The Appraisal Foundation has created a State Harmonization Task Force aimed at assisting states in ensuring that their qualification criteria are in line with the AQB minimums and do not create unnecessary barriers to entry.

Mass Appraisal

Mass appraisal experience is already allowed under the AQB criteria. The task force can share examples of how this is implemented in other states.

Tools and Solutions

The task force is made up of Foundation representatives and stakeholders across the profession to offer innovative tools and solutions to assist states in their work and help them solve their unique regulatory challenges.

Model Approaches

As the task force continues its work, it can share model approaches that are working in other states and help tailor those approaches to meet the needs of each regulatory body.

The Appraisal Foundation

1155 15th Street NW, Suite 1111, Washington, DC 20005-3517

202.347.7722

info@appraisalfoundation.org

https://appraisalfoundation.org

N.3

FREQUENTLY ASKED QUESTIONS

What is mass appraisal?

A mass appraisal is an appraisal assignment in which the Scope of Work involves valuing a universe of properties, versus an individual or fee appraisal assignment that values a single subject property.

The seven steps in the mass appraisal and individual or fee appraisal process are the same:

- Identify the problem;
- Set the Scope of Work;
- Gather data;
- Analyze the data;
- Determine Highest and Best Use;
- Apply appropriate valuation conclusions; and,
- Reconcile value indicators and report opinions.

How does USPAP reference mass appraisal?

The Uniform Standards of Professional Appraisal Practices (USPAP) defines Mass Appraisal as the process of valuing a universe of properties as of a given date using standard methodology, employing common data, and allowing for statistical testing (USPAP 2024 Edition, page 5).

USPAP has two dedicated standards specifically for mass appraisal: Standard 5 – Mass Appraisal, Development and Standard 6 – Mass Appraisal, Reporting. Appraisers must adhere to USPAP Standards 5 and 6 in order to perform a credible and compliant mass appraisal assignment.

USPAP is produced by the Appraisal Standards Board (ASB) of The Appraisal Foundation (TAF). TAF not only recognizes mass appraisal but supports having mass appraisal experience accepted for state appraiser licensure and certification.

Does the ASC and AQB recognize mass appraisal experience?

Yes. Mass appraisal is a valid and recognized form of appraisal experience under the Appraisal Subcommittee (ASC) policies and Appraisal Qualifications Board (AQB) requirements. According to ASC Policy Statements, Section C (Minimum Criteria), "Title XI requires States to adopt and/or implement all relevant AQB Criteria."

The applicable AQB Real Property Qualification Criteria can be found in Section V (Generic Experience Criteria), Paragraph F, which explicitly recognizes mass appraisal as an acceptable appraisal practice for experience credit. It states:

> *"Acceptable real property appraisal practice for experience credit includes appraisal, appraisal review, appraisal consulting, and* mass appraisal."

Does mass appraisal experience count as AQB qualifying experience?

Yes. The AQB states that mass appraisal experience would count towards qualifying experience credit for becoming a certified real estate appraiser, A credited hour of experience is defined as verifiable time spent in performing tasks in accordance with acceptable appraisal practice. Acceptable real property appraisal practice for experience credit includes appraisal, appraisal review, appraisal consulting, and mass appraisal.

The AQB mandates that real property appraisers seeking state licensure or certification must meet certain minimum experience requirements, including experience in mass appraisal, which can be obtained through individual property appraisals (for example, new construction or mass appraisals).

All experience must be obtained after January 30, 1989, and must be USPAP compliant. An applicant's experience must be in appraisal work conforming to USPAP Standards 1, 2, 3, 4, 5, and/or 6, where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures, development, and reporting conclusions.

Qualifying experience can be demonstrated by providing:

- A representative sample of the applicant's work product that is analyzed for USPAP compliance by a knowledgeable and qualified person;
- A verifiable experience log containing data which includes:
    - Type of property;
    - Date of report;
    - Address of appraised property;
    - Description of work performed by the applicant and scope of the review and supervision of the supervising appraiser, if applicable;
    - Number of actual work hours by the applicant on the assignment; and,
    - The signature and state certification number of the supervising appraiser if applicable. Separate appraisal logs shall be maintained for each supervising appraiser, if applicable.

(Source: Real Property Appraisal Qualification Criteria, Section V. -F. Generic Experience Criteria.)

Under the provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), the AQB establishes the Real Property Appraiser Qualification Criteria (Criteria), or the minimum education, experience and examination requirements for real property appraisers to obtain a state certification.

https://appraisalfoundation.org/imis/TAF/About_Us/TAF_Boards_and_Panels/Appraiser_Qualifications_Board/TAF/Appraiser_Qualifications_Board.aspx?hkey=e82a999c-c8bb-4118-af4d-3d15fd7f799c

Each state can choose to develop requirements that exceed the minimum requirements set by the AQB. For example, the Florida Administrative Code R. 61J1-6.001 includes language describing aspects of the mass appraisal process that qualify as experience such as: "Developing a model structure to determine the contribution of the individual characteristics affecting value;".

https://casetext.com/regulation/florida-administrative-code/department-61-department-of-business-and-professional-regulation/division-61j1-florida-real-estate-appraisal-board/chapter-61j1-6-experience-requirements/section-61j1-6001-experience-requirement

How do state boards confirm or verify qualifying experience hours?

Logged mass appraisal qualifying experience hours would be confirmed and verified in the same manner as individual or fee appraisal qualifying experience hours.

An experience log would be submitted by the applicant to the board. The experience log should capture minimum information, including:

- Effective date of appraisal;
- Type of property;
- Universe of properties appraised;
- A description of work;
- Scope of supervising appraiser's review;
- Scope of supervising appraiser's supervision;
- Total residential hours;
- Total non-residential hours; and,
- Total cumulative hours.

This log is signed by a supervisor or overseer in the same manner experience logs are signed by a supervisor for individual or fee appraisers. Examples of mass appraisal logs approved and currently being used by other states are available.

Once a signed log has been submitted, boards should proceed examining mass appraisal experience logs in the same manner used when evaluating single property experience logs.

How does a state board determine a reasonable number of qualifying experience hours for each phase of a mass appraisal assignment?

While the circumstances for each mass appraisal assignment will affect the result, the number of hours deemed reasonable for each phase (step) in the mass appraisal process should be determined by the Scope of Work for the assignment.

The suggestions below are predicated on the mass appraisal of a residential universe of properties; results may vary significantly for non-residential applications of mass appraisal. Ultimately, a state board should consider all relevant factors when awarding qualifying experience hours.

Factors that should be considered include, but are not limited to:

- The number of parcels within the universe of properties being appraised (how many residential properties within a particular market area or segmentation thereof, defining the universe to be appraised, identification of the problem to be solved)
    - 40 to 120 hours
- Locational and neighborhood delineation effort,
    - 40 to 160 hours - Technique dependent, can range from manual to Geographical Weighted Regression approaches
- The number of parcels requiring an inspection to ensure updated property characteristics
    - Exterior inspection only – 0.15 to 0.2 hours per property inspected
    - Interior and exterior inspection – 0.3 to 0.5 hours per property inspected
- The extent of market analysis required to be competent to complete the assignment and understand the empirical market forces that affect both the supply and demand of the universe of properties
    - 40 to 120 hours
- Determination of the Highest and Best Use for the universe (typically current use, and often controlled by a jurisdictional exception that limits other considerations of the highest and best use for the universe of parcels, i.e. “economic reality”)
    - 10 to 20 hours
- The application of the approaches to value - the Cost Approach and Sales Comparison Approach are typically considered, developed, and relied upon for mass appraisal purposes, the Income Approach may be relevant if certain market conditions exist, nuanced stratification might be necessary – i.e. is there an

adequate, statistically significant sample size for the market approach; how many special or complex residential parcels exist in the universe population
    - 20 to 40 hours
- Source information verified for conducting a Cost Approach - review and application of replacement cost data from nationally recognized cost publications or local construction data, adjusted for local modifiers, and ultimately matched against the property identification schema and property characteristics for the universe in question
    - 40 to 120 hours
- Source information verified for conducting a Sales Comparison Approach - sales file finalized with an appropriate study period (years) selected, adequate information at the time of sale for each occurrence that must match the associated property characteristics for the universe in question
    - 40 to 240 hours – determined by frequency level
- Model specification and calibration specific to each of the approaches
    - 80 to 240 hours - determined by frequency and level of difficulty
- Iterative process once the models are specified and calibrated must occur thereafter
    - 20 to 40 hours
- Statistical testing of a holdout sample including advanced tests for Multiple Regression Analysis should then be conducted (VIF, Multi-Collinearity, Mann-Whitney, etc.)
    - 20 to 40 hours
- Once the models have been set to meet the baseline industry or jurisdictional standards for sales ratios, a review of all parcels should occur to ensure accuracy and general reasonableness and ensure there is a level of conformity to the valuations within the defined market segment
    - 0.05 to 0.10 hours per property
- Mass appraisal experience in the context of filed appeals for ad valorem purposes should also be considered and would typically occur after the mass appraisal effort
    - 1 to 8 hours per appeal - hours for each component of an appeal assignment can vary but typically reflect fee appraisal time standards

Are there states currently accepting mass appraisal hours?

Yes, as of January 2025 there are currently 17 states accepting mass appraisal hours as work experience. Some of those states include Arizona, Arkansas, Colorado, Connecticut, Iowa, Michigan, Missouri, Montana, New Jersey, Oklahoma, Virginia, and Washington.

STANDARDS 5 & 6

Compliance Checklist

IAAO
INTERNATIONAL ASSOCIATION of ASSESSING OFFICERS
Valuing the World

The Appraisal FOUNDATION
Authorized by Congress as the Source of Appraisal Standards and Appraiser Qualifications

STANDARD 5 & 6 CHECKLIST

APPRAISAL ASSIGNMENT

Address/Market Area/Property Description: _____

_____

City: _____ County: _____ State: _____ Zip Code: _____

Legal Description: _____

Parcel Number: _____ Neighborhood ID: _____

Property Type: ☐ 1 unit ☐ 2 units ☐ 3-4 units ☐ 5+ units ☐ Commercial/Industrial

☐ Other (description): _____

Ownership: ☐ PUD ☐ Condo ☐ COOP ☐ Other: _____

ORIGINAL WORK PRODUCT UNDER REVIEW

Purpose of Work Product: ☐ Ad Valorem Appraisal ☐ Valuation Defense ☐ Other: _____

Date of Work Product: _____ Effective Date of Value(s): _____ Total Pages in Product: _____

Date of Inspection(s): _____ Value Conclusion(s): _____

Comments:

ORIGINAL APPRAISER INFORMATION

Name: _____ State Designation: _____

Certification/License #: _____ State: _____ Expiration Date: _____

Certification/License Issuing Agency: _____

Address: _____

Email Address: _____ Phone Number: _____

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STANDARD 5 & 6 CHECKLIST

USE OF THIS CHECKLIST

This Standard 5 & 6 checklist will assist the _____ Board of Real Estate Appraisers with the evaluation of an ad valorem appraisal submission. The purpose of this evaluation is to identify and communicate any substantial errors or inadequacies where the submission does not meet the minimum requirements established within Standards 5 & 6 of the Uniform Standards of Professional Appraisal Practice.

EVALUATOR INFORMATION

Name: _____ State Designation: _____

Certification/License #: _____ State: _____ Expiration Date: _____

Certification/License Issuing Agency: _____

Address: _____

Email Address: _____ Phone Number: _____

#	Has the appraiser...	USPAP References	Response			Comment if No or N/A
			Yes	No	N/A	
1	identified and correctly interpreted the appraisal problem and scope of work?	5-1(a) SOW	○	○		
2	identified the intended use of the appraisal, as well as the intended users (by name or type)?	5-2(a)(b) 6-2(a)(b)	○	○		
3	identified the type of value, definition of value, and the source of the value definition?	5-2(c) 6-2(e) SOW	○	○		
4	stated the opinion of value in terms of cash, terms equivalent to cash, or other precisely defined terms (if market value)?	5-2(c) 6-2(e)	○	○		

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STANDARD 5 & 6 CHECKLIST

#	Has the appraiser…	USPAP References	Response			Comment if No or N/A
			Yes	No	N/A	
5	identified and reported the effective date of the appraisal?	5-2(d) 6-2(d)	○	○		
6	identified and described the characteristics of the subject site and any improvements to the subject site?	5-2(e)(f)(g) 5-3 6-2(f)	○	○		
7	identified, analyzed, and reported on economic demand, physical, functional, and external market factors that may affect the appraisal?	5-2(f)(h) 5-3 5-4(a) 6-2 SOW	○	○		
8	identified the existing use of the real estate?	5-2(e)(f) 5-3	○	○		
9	identified and considered any personal property, trade fixtures, or intangible items that are not real property?	5-2(g) 5-3	○	○	○	
10	identified the real property interest to be appraised?	5-2g(iv)(v) 6-2(f)	○	○		
11	identified and stated all assumptions and limiting conditions (including extraordinary assumptions, hypothetical conditions) that affect the analysis and conclusions of appraisal?	5-2(i)(j) 6-1(b)(c) 6-2(c)	○	○		

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STANDARD 5 & 6 CHECKLIST

#	Has the appraiser…	USPAP References	Response			Comment if No or N/A
			Yes	No	N/A	
12	considered any restrictions on the right to use the property?	5-2(e)(g) 5-3 6-2(f)	○	○		
13	considered the highest and best use of the real estate?	5-3 6-2(l)	○	○		
14	summarized the process of collecting, confirming, and reporting data?	5-2(k) 6-2(g)(j)	○	○		
15	employ recognized techniques for specifying and calibrating valuation models? (if applicable)	5-4(b)(c) 5-6 6-2(i)(k)	○	○		
16	when necessary for credible assignment results developed an opinion of value for the land and/or site?	5-3 5-5 a(iii) 5-6(b)(d)	○	○	○	
17	when necessary for credible assignment results collected, verified, analyzed, and reconciled the cost and depreciation of the improvements?	5-4 5-5 a(i) 5-6(a)(e) 5-7 6-2	○	○	○	
18	when necessary for credible assignment results collected, verified, analyzed, and reconciled sales of comparable properties to support the sales comparison approach?	5-4 5-5 a(iv) 5-6(a) 5-7 6-1 6-2	○	○	○	

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STANDARD 5 & 6 CHECKLIST

#	Has the appraiser…	USPAP References	Response			Comment if No or N/A
			Yes	No	N/A	
19	when necessary for credible assignment results collected, verified, analyzed, and reconciled data from properties to support the income approach?	5-4 5-5 a(v) 5-5(c) 5-6(a)(c) 5-7 6-2	○	○	○	
20	summarized the process used to reconcile the applicability, suitability, quality and quantity of data in the approaches in order arrive at the value conclusion?	5-7 6-2(n)	○	○	○	
21	supported the exclusion of any approaches to value that have been excluded from analysis?	5-7 6-2(f)(g)	○	○	○	
22	summarized portion(s) of work that involved significant appraisal assistance?	6-2(h)	○	○	○	
23	provided a copy of a signed certification? **NOTE:** A certification signed by the County Appraiser/Assessor complies with this requirement.	6-3	○	○	○	

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STANDARD 5 & 6 CHECKLIST

CHECKLIST & EVALUATOR'S SUMMARY

Do any of the "No" responses from the USPAP reference section indicate a violation of USPAP's Ethic's Rule, Record Keeping Rule, Competency Rule, or Scope of Work Rule? ☐ Yes* ☐ No

Which approaches to value were excluded from the report, if any? ☐ Income ☐ Cost ☐ Sales

Were any of the excluded approaches to value necessary for credible results? ☐ Yes* ☐ No

*** If you marked 'Yes' to any above question, please provide more information in the comment field below.**

Comments:

NOTE: This Standard 5 & 6 checklist is to be used in conjunction with the work product under review. Without the accompanying work product this analysis cannot be completely understood and should not be solely relied upon.

Additional comments:

Signature: _____ Date: _____

Name: _____

State Designation: _____

Certification or License #: _____

State: _____ Expiration Date: _____

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Sample Experience Logs

WASHINGTON STATE DEPARTMENT OF LICENSING

Real Estate Appraisers Mass Appraisal Experience Log

27011-SUPPORTING

Experience hours awarded to appraiser trainees working in assessment or mass appraisal must be compliant with USPAP Standards 5 and 6, (in some cases, USPAP Standards 1 and 2). The Mass Appraisal Experience Log is to be used for USPAP Standard 5 and 6 work product. If an applicant is also seeking credit for USPAP Standard 1 and 2 work product, that experience must be applied for using a Real Estate Appraisers Applicant/Trainee Experience Log.

Quantitative experience requirements may only be satisfied by time spent on the appraisal process. This consists of:

- analyzing factors that affect value;
- defining the problem;
- gathering and analyzing data;
- applying the appropriate analysis and methodology; and
- arriving at an opinion and correctly reporting the opinion in compliance with USPAP.

The mass appraisal experience being submitted by the trainee and supervisor must be a part of, or the entirety of, a work product intended to be compliant with USPAP Standard 5 and 6.

Allowed hours are found in The Law Relating to Real Estate Appraisers under WAC 308-125-075. A link to the laws and rules can be found on the Department of Licensing Appraiser's webpage (www.dol.wa.gov/business/appraisers).

Check the following boxes as they apply to the office you worked in while gaining your experience; example, in the normal course of producing your mass appraisal work product and in connection with each property appraised, the following elements are part of your office's process:

1. Identification of the properties to be appraised. . . . . ☐ Yes ☐ No
2. Are market areas of consistent behavior that applies to properties defined? . . . . . ☐ Yes ☐ No
3. Is there clear identification of characteristics (supply and demand) that affect the creation of value in that market area? . . . . . ☐ Yes ☐ No
4. Is the model structure developed in such a way that it reflects the relationship among the characteristics affecting value in the market area? . . . . . ☐ Yes ☐ No
5. Is the model structure calibrated in a manner that determines the contribution of the individual characteristics affecting value? . . . . . ☐ Yes ☐ No
6. Are the conclusions reflected in the model applied to the characteristics of the properties being appraised? . . . . . ☐ Yes ☐ No
7. Is a review performed on the mass appraisal results? . . . . . ☐ Yes ☐ No

Entries must be chronological in order. If a trainee has multiple supervisors, separate appraisal logs shall be maintained and submitted for each supervisory appraiser.

Page ____ of ____ pages

WASHINGTON STATE DEPARTMENT OF LICENSING

Real Estate Appraisers
Mass Appraisal Experience Log

TYPE or PRINT Trainee name		Log date from	Log date to	Hours requested this page*
Trainee license number	Supervisor name	Supervisor license number	*Applicants must enter actual hours, subject to maximums state in RCWs and WACs	

1. **Trainee** must: Enter the hours worked under each task in the columns that apply. Total the hours in the final 2 columns.
2. **Trainee** must: Prepare a separate log for each Supervisor and have each Supervisor follow instruction #3 below.
3. **Supervisor**: For each parts of each assignment, Supervisor to indicate whether they: **P**-Had primary responsibility; **C**-Co-appraised; **R**-Reviewed and approved

Dates of appraisal task (mm/dd/yy)	Geographical area or project ID number	Type of appraisal task	Property types per WAC 308-125-075	Number of parcels	T=trainee S=supervisor	Exterior or site inspections	Land/Lot valuations	Interior inspections	Highest and best use analysis	Sales research and analysis	Nbhd description and analysis	Income analysis	Cost analysis	Model (CAMA) specification	Model (CAMA) calibration	Statistical analysic	Final review/reconcilliation	Comments on scope of review and level of supervision	Actual hours worked*	Allowed hours*
Sample 01/15/15 – 04/0515	Sample NBHD 120	Sample Subdivisions	Sample SFRs 1.(a)	Sample 500	T	50	100			300	200					100	75	Trained on processes and reviewed analysis and work		
					S	P	P			R	C					C/R	R		825	3,000
					T															
					S															
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I declare under penalty of perjury under the law of Washington that the foregoing is true and correct.
I understand that any material misrepresentation shall be grounds for denial, suspension, revocation, and/or disciplinary action against my license.

Date and place signed

X **When you have completed this form, sign here.**
Trainee signature

Date and place signed

X **When you have completed this form, sign here.**
Supervisor signature

Montana Department of LABOR & INDUSTRY

Montana Board of Real Estate Appraisers

PO Box 200513
301 S Park, 4th Floor
Helena, MT 59620-0512
Phone: (406) 444-6880
Email: dlibsdhelp@mt.gov Website: realestateappraiser.mt.gov

Instructions for Ad Valorem Tax Appraiser Applicant

Below are the minimum requirements you must meet in order to be licensed in the state of Montana.

1. Submit a complete application – **24.207.502**(1)
2. Be of good moral character – **37-54-202(1)(a)**
3. Submit proof of required qualifying education – **http://boards.bsd.dli.mt.gov/rea#1** (Select the license level you wish to apply for. Click on the checklist for exam applicants for the qualifying education requirements).
4. Submit additional College level education for the license level you are applying for, if applicable - **Qualifying Education**
5. Submit the mass appraisal experience log, signed by your Montana DOR supervisor attesting that the experience you are claiming has been performed in compliance with USPAP Standards 5 and 6 -- **http://boards.bsd.dli.mt.gov/rea#1.**
6. Board staff will identify and direct you to submit 3 appraisal reports from the experience log for review for compliance with USPAP Standards 5 and 6.
7. Submit a demonstration report performed in compliance with USPAP Standards 1 and 2.
8. After your education and experience have been reviewed by Board staff you will be made eligible to test.
9. Successfully pass the AQB-approved Examination.
10. Submit fingerprints for the purpose of a fingerprint and background check – **37-54-202(3)**

Checklist of Required Documents to Submit

The following documents and additional forms are required in addition to the basic application. Some documents may be submitted directly by the applicant as part of the application. Others, such as transcripts, may need to be sent to the board directly from the source.

- ☐ Complete application
- ☐ Official license verification from states and jurisdictions in which the applicant holds or has ever held a professional license of any type
- ☐ Staff will check ASC Website (https://www.asc.gov/Home.aspx) for REA license verification
- ☐ Fingerprint Background Check
- ☐ Noncriminal Justice Applicants Rights form
- ☐ MT Mass Appraisal Experience log showing necessary hours for licensure
- ☐ Proof of completion of IAAO training and testing relevant to the category applied for
- ☐ Certificates of completion for required qualifying education courses
- ☐ Official transcript sent directly to the board from the college or university, if applicable
- ☐ Demonstration Report performed in compliance with USPAP Standards 1 and 2
- ☐ Examination score verified on national examination portal by staff
- ☐ Discipline Question "Yes" – Submit detailed explanation
- ☐ Discipline Question "Yes" – Submit discipline documents

Montana Department of LABOR & INDUSTRY

Application Fee(s)

The following fee(s) must be submitted with your application. Online applicants can pay using a credit card or e-check. If you submit a paper application you must submit a check. Do not mail cash.

☐ $515 application fee

You can apply for a license online at https://ebiz.mt.gov/POL/ or download a paper application from the website. Online application is recommended.

Please include a valid e-mail address with your application. E-mail is the department's primary form of communication.

If you have any questions about the application process or the licensing requirements please contact the Department of Labor and Industry Professional Licensing Bureau using the contact information at the top of this checklist.

Commonwealth of Virginia
Department of Professional and Occupational Regulation
9960 Mayland Drive, Suite 400
Richmond, Virginia 23233-1485
(804) 367-2039
www.dpor.virginia.gov

Department of Professional and Occupational Regulation

Real Estate Appraiser Board
EXPERIENCE LOG

- All experience must be acquired within the five-year period immediately preceding the date application is made.
- Any valuation that meets the definition of "evaluation" set forth in §54.1-2009 of the Code of Virginia **may not** be counted as experience toward licensure.

INSTRUCTIONS FOR COMPLETING EXPERIENCE LOG

Complete Property Address — Enter the complete address of the property being appraised.

Month & Year — Enter the month and year of completion for the assignment(s) listed in the second column.

Assignment Identification — Enter a description for the type of assignment separately (commonly used acronyms are acceptable).

Type of Property — Enter the appropriate **code number** for the type of property appraised.

1 Single family, residential with exterior inspection
2 Single family, residential with full inspection
3 Multi-family, 2 to 4 units
4 Vacant lots, 1 to 4
5 Farms (non-income producing)
6 Multi-family, 5 or more units
7 Commercial
8 Industrial
9 Hotel, mote
10 Office
11 Subdivision projects
12 Land
13 Other

Property Value — Enter the appropriate **code number** for the dollar value of the property appraised.

1 $ 0 - $ 100,000
2 $ 100,001 - $ 250,000
3 $ 250,001 - $1,000,000
4 $1,000,001 - $5,000,000
5 over - $5,000,000

Type of Involvement — Enter the appropriate **code number** that indicates your involvement on the appraisal assignment(s). Definitions of each category of involvement are printed in Part I of the Real Estate Appraiser Board Regulations.

1 Fee/staff appraiser, sole appraiser
2 Fee/staff appraiser trainee, co-signer
3 Ad valorem
4 Reviewer
5 Real estate consulting

Hours on Assignment(s) — Enter each appraisal assignment and the total number of hours spent on the assignment.

Total hours of Assignment — Enter the total number of assignment hours for each page on the bottom of each page.

Supervisor Signature/ License Number — **Supervisor's signature and license number must be on each page** (only required for trainee applications and upgrade applications if you are working for another appraiser).

Description of work Performed by the Trainee/ Applicant — All trainees applying for an appraiser license must complete columns I thru X.

Experience Log

Prior to entering information on this form, please make several photocopies of this blank form to ensure that you have additional forms to accommodate all your experience entries. Number the pages according to the total number submitted (i.e. 1 of 3, 2 of 3, etc.) in the right-hand corner

USE THE INFORMATION ON PAGES 1 & 2 TO COMPLETE THE FOLLOWING TABLE

1. Name _____ (Last) _____ (First) _____ (Middle) _____ (Generation)

2. Provide **one** of the following identification numbers.

   ☐ Social Security Number or ☐ Virginia DMV Control Number ✳ ☐☐☐ - ☐☐ - ☐☐☐☐

✳ State law requires every applicant for a license, certificate, registration or other authorization to engage in a business, trade, profession or occupation issued by the Commonwealth to provide a social security number or a control number issued by the Virginia Department of Motor Vehicles.

3. Type of License applying for (check only **one**)

   ☐ Certified General ☐ Certified Residential ☐ Licensed Residential

Complete Address of Property	Month & Year	Assignment Identification	Type of Property	Property Value	Type of Involvement	**A** - Applicant/Trainee **S**-Supervisor	I. Site Inspection & Descriptions	II. Bldg. Inspection & Descriptions	III. Nbhd Description & Analysis	IV. Highest & Best Use Analysis	V. Research of Comp Sales & Analysis	VI. Income Analysis	VII. Cost Analysis	VIII. Meaningful Sales Analysis	IX. Final Reconciliation	X. Other (please attache explanation)	Hours on Assignment(s)
Example:	Sep-00	***URAR***	1	2	1	A	X	X	X		X						4
2500 W. Main St., Richmond, VA 23221						S	C	C	R		R						
						A											
						S											
						A											
						S											
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						S											
						A											
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						S											

Total Hours of Assignment : _____ (per page 1)

By signing this page, the Supervisor certifies that the experience claimed on this log meets the relevant definition of experience in 18 VAC 130-20-10.

_____ Date _____ Supervisor's License No. 4 0 0 1 _ _ _ _ _ _

Supervisor's Signature (must sign each page)
(only required for trainees or licensed/certified appraisers who are working under a Certified Residential or Certified General Appraiser)

N.22

Applicant's Name: _____ Page _____ of _____

Complete Address of Property	Month & Year	Assignment Identification	Type of Property	Property Value	Type of Involvement	A/S	I.	II.	III.	IV.	V.	VI.	VII.	VIII.	IX.	X.	Hours on Assignment(s)
						A											
						S											
						A											
						S											
						A											
						S											
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Total Hours of Assignment: _____

Appraiser applicants who are not Trainees, do not have to complete columns I thru X

Trainees only:

1. Indicate which portions of the assignment they contributed by putting an "x" in Columns I thru X.
2. Prepare a separate log for each month and have your supervisor follow instructions in item 3 below and sign where indicated.
3. For each portion of each assignment, Supervisors must indicate whether the supervisor(s): P - had Primary Responsibility; C - Co-appraised; or R - Reviewed and Approved.

By signing this page, the Supervisor certifies that the experience claimed on this log meets the relevant definition of experience in 18 VAC 130-20-10.

_____ Date _____ Supervisor's License No. | 4 | 0 | 0 | 1 | | | | | | |

Supervisor's Signature (must sign each page)
(only required for trainees or licensed/certified appraisers who are working under a Certified Residential or Certified General Appraiser)

N.23

From: Kohtz, Tyler
To: Jonathan Stewart
Subject: RE: Application and Credentialing Fees for Credentials Obtained through Reciprocity
Date: Tuesday, June 24, 2025 12:00:00 PM
Attachments: image003.png
image004.png
image005.png
image006.png
image007.png
image008.png

Thank you very much, Jonny. This is the information that I needed.

Tyler Kohtz
Executive Director
Nebraska Real Property Appraiser Board



From: Jonathan Stewart <Jonathan@asc.gov>
Sent: Tuesday, June 24, 2025 11:50 AM
To: Kohtz, Tyler <tyler.kohtz@nebraska.gov>
Subject: Re: Application and Credentialing Fees for Credentials Obtained through Reciprocity

Good morning, Tyler.

Thank you for your email and question.

The ASC would view a higher fee on reciprocal applicants as an impediment, especially considering that processing a reciprocal application is much easier than processing an application by examination.

Charging a higher fee for non-resident applicants regardless of application type (reciprocal or by examination) would be permissible.

Let me know if you have any additional questions.

Thanks,

Jonny Stewart
Program Manager
O 202.792.1197
C 202.961.7293

1325 G St NW #500
Washington DC 20005



From: Kohtz, Tyler <tyler.kohtz@nebraska.gov>
Sent: Tuesday, June 24, 2025 8:33 AM
To: Jonathan Stewart <Jonathan@asc.gov>
Subject: Application and Credentialing Fees for Credentials Obtained through Reciprocity

Jonny,

The Board completed its strategic planning meeting on June 17, 2025; I would like to run a couple ideas by you based on a discussion the Board had.

One of the concepts discussed by the Board related to revenues, was the possibility of increasing the application fee, credentialing fee, or both for those applying for a credential through reciprocity compared to those that apply through education, experience, or examination. I was reviewing ASC Policy Statement 5 regarding reciprocity, and it is unclear to me if this would be an acceptable option. Although Subsection A states in part, "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." Subsection C also states, "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."

Is it correct to assume that Subsection C applies to only the period after a credential is awarded when referring to the licensing fees (renewal fees)?

Would it be permissible under Policy Statement 5 to have a separate fee structure for applicants for credentialing through reciprocity vs. applicants for credentialing through education, experience, and examination (reciprocity fees higher)?

If this would not be permissible as described above, would it be permissible to implement a higher application fee, credentialing fee, or both for those whose permanent address is not in Nebraska compared to those who are residents of Nebraska, regardless of if the credential application is through reciprocity or education, experience, and examination?

I hope all is well.

Regards,

Tyler N. Kohtz
Executive Director
Nebraska Real Property Appraiser Board
301 Centennial Mall South, First Floor
Lincoln, NE 68509-4963

Phone: (402) 471-9015
Email: tyler.kohtz@nebraska.gov
Website: appraiser.ne.gov
Visit NRPAB on Facebook



From: Kohtz, Tyler
To: Kinnison, Benedict
Subject: RE: Nebraska Resident/Non-Resident Real Property Appraiser Fees
Date: Wednesday, July 9, 2025 3:14:00 PM
Attachments: image003.png

Thank you very much, Ben. I will provide this information to the Board.

Regards,

Tyler Kohtz
Executive Director
Nebraska Real Property Appraiser Board



From: Kinnison, Benedict <Benedict.Kinnison@nebraska.gov>
Sent: Wednesday, July 9, 2025 2:30 PM
To: Kohtz, Tyler <tyler.kohtz@nebraska.gov>
Subject: Re: Nebraska Resident/Non-Resident Real Property Appraiser Fees

Good afternoon,

There are some legal concerns with increasing fees for nonresidents. Generally, the Constitution prohibits any economic protectionism among states. Laws and regulations violate the commerce clause of the Constitution if they mandate different treatment of in-state and out-of-state economic interests to the benefit of the former and the burden of the latter. The simple fact of non-state residence cannot hinder an individual's access to a market. When laws burden out-of-state participants and seem to give a competitive advantage to in-state participants, they are facially invalid. Nebraska cannot require an out-of-state resident to become an in-state resident to compete on equal terms.

There are exceptions. However, when a rule classifies non-residents differently from residents for the primary purpose of generating revenue, it is invalid. A fee system that differentiates between in-state and out-of-state residents will face constitutional challenges. Based on your email, this proposal is likely impermissible.

Let me know if you have any questions. I am happy to discuss in further detail.

Thanks,

Ben Kinnison
Assistant Attorney General
Legal Services

Nebraska Department of Justice
1445 K Street, Room 2115
Lincoln NE 68508
402-471-6607

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From: Kohtz, Tyler <tyler.kohtz@nebraska.gov>
Sent: Monday, July 7, 2025 8:21 AM
To: Kinnison, Benedict <Benedict.Kinnison@nebraska.gov>
Subject: Nebraska Resident/Non-Resident Real Property Appraiser Fees

Ben,

The Board completed its strategic planning meeting on June 17, 2025. One of the concepts discussed by the Board related to revenues, was the possibility of increasing the application fee, credentialing fee, or both for those not residents of Nebraska applying for a real property appraiser credential (Education, Experience, and Examination Applications and Reciprocity Applications). Under the current language found in Neb. Rev. Stat. § 76-2241, would it be permissible to implement a higher application fee, credentialing fee, or both for those whose permanent address is not in Nebraska compared to those who are residents of Nebraska, regardless of if the credential application is through reciprocity or education, experience, and examination? Also, would any such action run afoul of the North Carolina Bd. of Dental Examiners v. FTC, 574 U.S. 494 (2015) Supreme Court Decision?

Regards,

Tyler N. Kohtz
Executive Director
Nebraska Real Property Appraiser Board
301 Centennial Mall South, First Floor
Lincoln, NE 68509-4963
Phone: (402) 471-9015
Email: tyler.kohtz@nebraska.gov
Website: appraiser.ne.gov
Visit NRPAB on Facebook



FALL 2025 CONFERENCE & TRAINING REGISTRATION FORM

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Complete one registration form per attendee.

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Full Name	Preferred Badge Name	
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		☐ Yes ☐ No
Please list food allergies and/or special accommodations needed during the conference.		

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For Use By AARO Spring 2025 Conference Attendees Only (Rates Reflect $100 Credit) ☐ Complimentary (Pre-approval Required) ☐ AARO Member - Day Pass $400 Specify: ☐Mon. ☐Tue. ☐Wed. ☐ AARO Nonmember - Day Pass $900 Specify: ☐Mon. ☐Tue. ☐Wed. ☐ AARO Member - Full Conference $650 ☐ AARO Nonmember - Full Conference $1,150	Add On Services ☐ Pre-Conference Training $250 ☐ Guest Reception Pass $50 ☐ Guest Lunch Pass $30 ☐ Group Outing Pass $TBD

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Cancellation Policy: When requested in writing, a refund of the registration fee will be made up to Sunday, September 21, 2025. Refunds requested after this date will only be approved in strict accordance with the AARO Cancellation/Refund policy.

Room Reservations: Reservations may be made by calling Westin Buckhead at 404-365-0065 and referencing the AARO block or online here. Hotel rate is $239 per night, plus taxes and fees. **(Blocked rooms are available on a first come first serve basis until 9/18/2025; there are a limited number of blook rooms)**.

Note: The rates noted on this form reflect the $100 credit for paid registrants at the Spring 2025 Virtual Conference (SP25). The $100 credit for this conference is not transferrable and only applies to the individual paid and registered at the SP25 conference. If you did not pay/register the SP25 conference, use the standard registration form.

Volume Discount: An AARO member jurisdiction (state regulatory body) shall be eligible for a 30% discount registration fee rate for sending 11 or more attendees. The first 10 attendees will be at the member rate with subsequent attendees receiving 30% off the member rate. Add on services are eligible for discounts. To request an invoice, email brandy.march@aaro.net.

APPRAISAL SUBCOMMITTEE-FFIEC
QUARTERLY MEETING MINUTES
NOVEMBER 20, 2024

LOCATION: Webex

ATTENDEES

MEMBERS: CFPB – Zixta Martinez (Chair)
FDIC – Luke Brown (Vice Chair)
FRB – Sarah Chae
NCUA – Ian Marenna
OCC – Enice Thomas

ALTERNATES: CFPB – David Bleicken
FDIC – Tom Lyons
FHFA – Julie Giesbrecht
HUD – Brian Barnes
NCUA – Mike Dondarski
OCC – Jim Rives

STAFF: Executive Director – Jim Park
General Counsel – Matt Ponzar
Grants Director – Rae Frederique
Compliance Manager – John Brenan
Financial Manager – Girard Hull
Attorney Advisor – Natalie Lutz
Management and Program Analyst – Lori Schuster
IT Project Manager – Brian Kelly
Program Manager – Kelly Luteijn

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 Ian Marenna and Mike Dondarski as the new NCUA primary and alternate members. She thanked former NCUA member Viki Nahrwold for her contributions.

- **Executive Director**

  J. Park provided an update since the September 25, 2024 quarterly ASC meeting.

  - He noted that this is the last ASC meeting of 2024 and provided some highlights for the year such as the completion of the 2024-2028 ASC Strategic Plan and the ASC hearings held over 2023-24. Transcripts and videos of the ASC hearings are available on the ASC website. He noted that the Appraisal Foundation (TAF) has changed some processes as a result of the ASC hearings. TAF has allowed ASC staff to attend closed meetings and there is more transparency. He thanked the ASC staff for their hard work and ASC board members for their leadership. Z. Martinez also thanked the board members and ASC staff for their work and contributions this year.

- **Compliance Reviews**

  J. Brenan provided an update on the Compliance Review Program since the September 25, 2024 quarterly ASC meeting. Three Appraiser Program Compliance Reviews were completed. The Alaska Program received a finding of Good and was issued by the Executive Director under the delegation of authority. The Program had areas of concern under Statutes, Regulations, Policies and Procedures, and the adoption and/or implementation of AQB Real Property Appraiser Qualification Criteria. The Guam and Maryland Appraiser Programs each received a finding of Needs Improvement and were issued by the ASC Chair under the delegation of authority. The primary concerns related to Statutes, Regulations, Policies and Procedures, Temporary Practice, the Application Process, timely payment of National Registry invoices, and adequately documented application processes. Guam and Maryland will remain on a two-year Review Cycle.

  Two State Appraisal Management Company (AMC) Program Compliance Reviews were completed. The Alaska and Maryland AMC Programs each received a finding of Good and were issued by the Executive Director under the delegation of authority. The concerns related to Statutes and Regulations and timely payment of National Registry fees. Alaska and Maryland will remain on a two-year Review Cycle.

  Currently, there are 20 Appraiser and 16 AMC State programs that are in various stages of a Compliance Review. As previously reported to the Board, ASC staff continues to see a growing trend of difficulties States are having with compliance as will be discussed later in this meeting.

- **Grants Program**

  R. Frederique provided a Grants update to the Board. Round one of the State Appraiser Regulatory Agency Support (SARAS) grants were awarded to Arizona, Arkansas, California, Louisiana, Minnesota, Oregon, Texas, Utah, and Wisconsin. She noted that California, Oregon, and Wisconsin are first-time applicants. Round two grant submissions resulted in six applications being submitted to the ASC for consideration, and those applications are pending award notifications. In Fiscal Year (FY) 2024, the ASC also awarded a grant to TAF to support Appraiser Qualification Board activities. ASC grants staff are working on the

FY25 Notices of Funding Availability for SARAS and TAF. In FY25, grant funds for SARAS will increase from $120,000 to $200,000 per year for three years. The TAF annual grant will increase from $250,000 to $300,000 per year.

- **Financial Manager**

  G. Hull provided an overview of the financial status as of September 30, 2024. Based on unaudited financial statements, the ASC has recognized approximately $9.7M in total revenue, representing 86% of the FY24 targeted revenue amount of $11.2M. The total FY24 revenue consists of $6.2M in AMC Registry fees and $3.5M in Appraiser Registry fees. Regarding expenses, the total for FY24 is $7.7M representing 85% of the budgeted $9M. The FY24 audit is scheduled to start on December 2. Once the audit is finalized, ASC Board members will receive a copy of the audit report, and it will be published in the 2024 ASC Annual Report.

ACTION ITEMS

- **September 25, 2024 Quarterly Meeting Minutes**

  Z. Martinez asked for a motion to approve the September 25 quarterly meeting minutes as presented. J. Giesbrecht made a motion to approve the September 25 quarterly meeting minutes as presented and B. Barnes seconded. All members present voted to approve the motion.

- **Policy on Monitoring and Reviewing the Appraisal Foundation**

  J. Park said that Title XI requires the ASC to monitor and review TAF's organizational structure. In 2020, TAF began restricting ASC staff access to its closed meetings as well as written materials. The ASC does not have oversight authority over TAF, so ASC staff relies on TAF to provide relevant materials to ASC staff. He added that the relationship is improving under the new TAF President. This Policy will allow the ASC to carry out its responsibilities. The Practical Guide is for Internal reference and will not be a part of the Policy. S. Chae moved for approval of the Policy on Monitoring and Reviewing TAF and J. Giesbrecht seconded. All members present voted to approve the motion.

- **Notice of Proposed Rulemaking on Enforcement**

  N. Lutz provided a high-level overview of the Notice of Proposed Rulemaking on Enforcement (Proposed Rule). The Proposed Rule implements a framework to govern the ASC's enforcement authority regarding the effectiveness of Appraiser and AMC Programs overseen by State Appraiser Regulatory Agencies (SARA). This Proposed Rule would authorize the ASC to impose interim enforcement actions against SARAs. It would also establish a consistent enforcement approach and codify the existing compliance review process with some modifications. According to 12 U.S.C. 3347, the ASC may impose certain sanctions on SARAs that fail to have an effective appraiser regulatory program. To determine whether an Appraiser or AMC program is effective, the statute requires the ASC to perform an analysis of key program functions that include (1) the licensing and certification of

appraisers, (2) the registration of AMCs, (3) the issuance of temporary licenses and certifications for appraisers, (4) the receiving and tracking of submitted complaints against appraisers and AMCs, (5) the investigation of complaints, and (6) enforcement actions against appraisers and AMCs. Under the Proposed Rule, the ASC would perform an analysis of the key program functions as required by 12 U.S.C. 3347, to evaluate the effectiveness of an Appraiser or AMC Program as part of the compliance review process. Any deficiencies will be noted in the Preliminary and Final Compliance Review Reports. Based on the number of deficiencies in the program, it would be rated as effective, moderately effective, slightly effective, or ineffective. If a State fails to have an effective Appraiser or AMC program the ASC would undertake an interim action against the SARA as an alternative to non-recognition. The ASC could undertake three potential interim enforcement actions against a SARA, to include warning letters, negotiated agreements, and suspensions. The ASC could also impose non-recognition as an enforcement action. The Proposed Rule would significantly improve the ASC's oversight of the States. If the Board approves the Proposed Rule, comments would be allowed for 60 days after publication in the Federal Register. She also requested that the Board grant delegated authority to ASC staff to make any non-substantive edits in its motion such as grammatical or typographical errors and any clarifying edits. S. Chae moved to approve the Proposed Rule as presented along with delegated authority to ASC staff to make any non-substantive edits and I. Marenna seconded. All members present voted to approve the motion.

- **Compliance Reviews**

  - **Indiana Appraiser Program Compliance Review**

    J. Brenan noted that ASC staff recommend a rating of Not Satisfactory. The 2019 Compliance Review had a rating of Needs Improvement. Continuing education audits continue to be an issue. Indiana also has new staff who are unfamiliar with their Title XI-related duties. Program funding is also an issue. All disciplinary actions are not being reported to the ASC National Registry. ASC staff will confirm that appropriate actions are being taken in its next review. Indiana will be moved to a one-year review cycle with the next review scheduled in spring 2025. J. Giesbrecht moved to approve the Indiana Appraiser Compliance Review as presented and I. Marenna seconded. All members present voted to approve the motion.

  - **Indiana Appraisal Management Company Program Compliance Review**

    J. Brenan noted that ASC staff recommend a rating of Not Satisfactory. Indiana began regulating AMCs in July 2010. Indiana was out of compliance in several areas under Statutes, Regulations, Policies and Procedures as well as National Registry reporting. ASC staff will confirm that appropriate actions have been taken at its next review in spring 2025 and the State will be placed on a one-year review cycle. I. Marenna moved to approve the Indiana AMC Program Compliance Review as presented and S. Chae seconded. All members present voted to approve the motion.

  - **South Dakota Appraiser Program Compliance Review**

J. Brenan stated that ASC staff recommends a rating of Not Satisfactory. Initially, the State was uncooperative during the Compliance Review process. ASC staff were not able to access electronic files and were eventually given access to hard copy files. The Executive Director that participated in the Compliance Review is no longer with the Program. South Dakota is out of compliance in several areas such as National Registry, Application Process, Reciprocity, Education, and Enforcement. ASC staff will confirm that appropriate actions have been taken in a follow-up review scheduled for spring 2025. South Dakota will be placed on a one-year review schedule. J. Giesbrecht moved to approve the South Dakota Appraiser Compliance Review as presented and S. Chae seconded. All members present voted to approve the motion.

- **U.S. Virgin Islands Appraiser Program Compliance Review**

  J. Brenan said that ASC staff recommend a rating of Not Satisfactory. Since 2011, Compliance Reviews have had ratings of Not in Substantial Compliance or Needs Improvement. The U.S. Virgin Islands was out of compliance in Statutes, Regulations, Policies and Procedures, National Registry and Enforcement. A response was not received to the current preliminary compliance review. ASC staff will confirm corrective actions by immediately requiring that all outstanding national registry invoices be paid, require a quarterly complaint log, and require the U.S. Virgin Islands to update its statute and regulations. The U.S. Virgin Islands will be placed on a one-year review cycle with a follow-up scheduled for spring 2025 and a full review in 2026. I. Marenna moved to approve the U.S. Virgin Islands Appraisal Compliance Review as presented and S. Chae seconded. All members present voted to approve the motion.

Z. Martinez thanked Board members and ASC staff for their hard work for this meeting. She also thanked observers for attending today's meeting. The meeting was adjourned at 10:54 a.m. The next quarterly ASC meeting is scheduled for March 12, 2025.

Attachment: Observer list

Meeting:	**Appraisal Subcommittee Quarterly Meeting**	**Meeting Date:**	November 20, 2024
Contact:	Lori Schuster	**Location:**	Webex
Time:	10:00 AM ET	**Alternate Contact:**	Brian Kelly

Affiliation	Name
Appraisal Institute	Brendan Donnelly
Appraisal Institute	Brian Rodgers
Dennis Badger & Associates, Inc.	Dennis Badger
Champions School of Real Estate	Caty Brignac
Champions School of Real Estate	Henry Britt
Consumer Financial Protection Bureau	Deana Krumhansl
Consumer Financial Protection Bureau	Ericka McDonald
Consumer Financial Protection Bureau	John Schroeder
Consumer Financial Protection Bureau	Nina Ye
Federal Deposit Insurance Corporation	Erin Barry
Federal Deposit Insurance Corporation	Stuart Hoff
Federal Deposit Insurance Corporation	Patrick Mancoske
Federal Deposit Insurance Corporation	Evelyn Manley
Federal Deposit Insurance Corporation	Mark Mellon
Federal Deposit Insurance Corporation	Lauren Whitaker
Federal Deposit Insurance Corporation	Meron Wondwosen
Federal Financial Institutions Examination Council	Kaelin Browne
Federal Financial Institutions Examination Council	Rosanna Piccirilli

Affiliation	Name
Federal Housing Finance Agency	Sara Todd
Federal Reserve Board	Trevor Feigleson
Federal Reserve Board	David Imhoff
Federal Reserve Board	Matt McQueeney
Federal Reserve Board	Anthony Sarver
Federal Reserve Board	Derald Seid
Federal Reserve Board	Matt Suntag
Freedom Mortgage	Jessica Jenkins-Tome
Joseph Mier & Associates	Joseph Mier
National Credit Union Administration	Rachel Ackmann
National Credit Union Administration	Simon Hermann
National Credit Union Administration	Naghi Khaled
Office of the Comptroller of the Currency	Carolle Cantwell
Office of the Comptroller of the Currency	Kevin Lawton
Office of the Comptroller of the Currency	Marta Stewart-Bates
Real Estate Valuation Advocacy Association	Mark Schiffman
The CE Shop	Melissa Cannata

2024 ANNUAL REPORT

APPRAISAL SUBCOMMITTEE

APPRAISAL SUBCOMMITTEE
FFIEC

FEDERAL FINANCIAL INSTITUTIONS
EXAMINATION COUNCIL

Q.9

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Letter of Transmittal

June 14, 2025

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 2024 Annual Report of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

Sincerely,

Luke H. Brown

Acting Chair

Q.11

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). 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

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[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(4)), implemented by the Office of the Comptroller of the Currency: 12 CFR 34.42(g) and 34.43(a); Federal Reserve Board: 12 CFR 225.62(g) and 225.63(a); Federal Deposit Insurance Corporation: 12 CFR 323.2(g) and 323.3(a); and National Credit Union Administration: 12 CFR 722.2 and 722.3(b), (c).

[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 State appraiser regulator programs. (American Samoa does not have a State appraiser regulatory program.)

[5] States are not required to have an AMC regulatory program, 50 States and the District of Columbia have AMC regulatory programs. American Samoa, Guam, the Northern Mariana Islands, Puerto Rico and the United States Virgin Islands do not. Note: Hawaii had a program that sunset on June 30, 2024, and was restored September 1, 2024.

[6] 12 CFR 1102.400 - 1102.403. The ASC published its rule to implement collection and transmission of annual AMC registry fees in the September 25, 2017, issue of the Federal Register (82 FR 44493). The Final Rule's effective date was November 24, 2017.

Q.12

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 Board), 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 2024, 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 2024, this role was filled by Zixta Q. Martinez, the CFPB member. However, Luke H. Brown, the FDIC member and ASC Vice Chairperson, is currently serving as Acting Chairperson.

[7] The ASC adopted a revised grants handbook on January 17, 2024, which includes all the ASC policies and procedures with regard to grants.

Message from the Acting Chairperson

The Appraisal Subcommittee had another busy year in 2024. The ASC focused on its core responsibilities including maintaining the National Registry and the Appraisal Complaint National Hotline (Hotline), monitoring and reviewing the Appraisal Foundation, and performing on-site Compliance Reviews of State appraiser and AMC regulatory programs (State Programs) which were restarted in 2023.

In 2024, the ASC reviewed 25 State Appraiser Programs and 22 State AMC Programs. The ASC saw an overall decline in the number of State Programs that were performing well. State Programs report lingering effects of the global pandemic as the primary cause of lower ratings. Information regarding the 2024 Compliance Reviews can be found on page 8 and in Appendix B.

In 2024, the Foundation leadership changed hands with longstanding President, David Bunton, retiring and the Foundation's Board elevating Kelly Davids, formerly Senior Vice President, to the role of President. The seven ASC member agency representatives were introduced to the Foundation's new leadership at the beginning of 2024. ASC staff continued to engage with the Foundation to meet the ASC's monitor and review mandate, and the change in Foundation leadership has resulted in increased openness to ASC feedback, including on proposed policies such as the Foundation's Standards of Conduct and Ethics (Standards) for Foundation staff and Board members which the Foundation adopted in September.[8] The Foundation amended the Standards based on ASC feedback, but ASC staff remains engaged with the Foundation to advocate further strengthening of the Standards in the interest of public trust. ASC staff provided reports on ASC actitivities during the Foundation's 2024 Board of Trustees meetings.

Additionally, the ASC adopted a new monitoring and review policy for the Foundation on November 20, 2024. The new policy specifies that ASC staff plan to attend closed sessions of the Foundation's three Boards to carry out the ASC's monitor and review mandate. Notably, during 2024, the Foundation invited ASC staff to closed sessions of their meetings, and expressed increased interest in collaboration and cooperation with the ASC.

On December 6, 2024, the ASC proposed, *Appraisal Subcommittee Enforcement Authority Regarding the Effectiveness of State Appraiser and Appraisal Management Company Regulatory Programs,* a rule under its Title XI authority to codify the existing compliance review process for State Appraiser Regulatory Agencies. The proposed rule would implement a framework to govern the ASC's authority regarding the effectiveness of State Programs. The proposed rule would focus on assessing State program effectiveness, outlining requirements for maintaining effective programs, and utilizing ASC authority to address ineffective programs.

The ASC conducted four public quarterly meetings in 2024. During the September 25, 2024, public meeting, the ASC approved the Fiscal Year (FY) 2025 Budget, including:

$10,729,940 in projected revenue

$7,670,940 in expenses

$4,550,000 for grants

The ASC continues to operate its grant program to support State Programs and the Foundation. The ASC announced two Notices of Funding Availability (NOFA), and in 2024, the ASC provided grants to 12 States, including four States that had never received an ASC grant before. The ASC also provided a grant of $250,000 to the Foundation. More information on ASC grants can be found on page 11.

The ASC continues to operate its Hotline. The Hotline is a mechanism to receive complaints of non-compliance with the appraisal independence standards and/or USPAP from the general public. The ASC then refers the complaint to the appropriate State or Federal Agency. 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/

[8] The Appraisal Foundation, "Standards of Conduct and Ethics for Persons Affiliated with The Appraisal Foundation." https://appraisalfoundation.sharefile.com/public/share/web-s95fc0b0a741242fab0bceba486d26c211

or non-compliance with appraisal independence standards. Hotline statistics for 2024 are in Appendix F.

After more than 15 years of service to the ASC, long-time Executive Director Jim Park left his position at the end of 2024. The ASC Board would like to thank Jim for his many years of dedicated service to the ASC, its mission, and its people. Jim had many important accomplishments during his tenure as Executive Director, including implementing provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) that apply to the ASC. The ASC Board wishes Jim the very best in all his future endeavors.

Denise Graves, former ASC Deputy Executive Director, retired in 2024. She helped move the agency forward during a time of significant activity, and her depth of expertise in this field will be greatly missed. Jenny Tidwell, longtime Policy Manager, also retired in 2024, her wealth of experience and knowledge will also be greatly missed. The ASC added vital staff in 2024. Matt Ponzar, who is currently serving as Acting Executive Director, joined as the General Counsel, and John Brenan filled the newly created Compliance Manager position; Kelly Luteijn joined as the Regulatory Affairs Specialist, Allison Nespor and Jonathan Stewart came on board as Program Managers, and Karla Cisneros joined as a Grants Management Specialist.

Also, the ASC Board would like to express its continued appreciation for the efforts and commitment of ASC staff, including their dedication and support during this transitional period.

The ASC strives to fulfill its responsibilities under Title XI effectively, efficiently, and transparently and welcomes the opportunity to provide its annual report to Congress.

Appraisal Subcommittee Representatives

(as of December 31, 2024)

Consumer Financial Protection Bureau

Chair: Zixta Martinez since April 2022

Martinez is the Deputy Director.

Alternate Member: David Bleicken since April 2024

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: Sarah Chae since February 2024

Chae is a manager in the 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 a Housing Program Officer, Office of 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, Office of Housing and Regulatory Policy.

Alternate Member: Julie Giesbrecht since January 2022

National Credit Union Administration

Member: Ian Marenna since November 2024

Marenna is Associate General Counsel in the Office of the General Counsel.

Alternate Member: Mike Dondarski since November 2024

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

(as of December 31, 2024)

James R. Park, Executive Director

Vacant, Deputy Executive Director

Matt Ponzar, General Counsel

Vacant, Deputy General Counsel

Regeane Frederique, Grants Director

John Brenan, 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, Project Manager – IT

Maria M. Brown, Program Manager

Neal R. Fenochietti, Program Manager

Kristi A. Klamet, Program Manager

Tom W. Lewis, Program Manager

Jonathan Stewart, Program Manager

Allison Nespor, Program Manager

Karla Cisneros, Grants Management Specialist

Kelly Luteijn, Regulatory Affairs Specialist

Vacant, Human Resources Specialist

Vacant, Administrative Assistant

ASC Meetings

The ASC held regular virtual open meetings in March, June, September, and November of 2024.

The ASC held a special virtual meeting in January of 2024.

The ASC held special closed virtual meetings in January, February, April, July, August, September, October, November, and December and two special closed meetings in May of 2024.

State Appraiser and AMC Program Oversight

The ASC has issued Policy Statements to provide States with the information necessary to maintain their State Programs in compliance with Title XI. Current Policy Statements are set forth in Appendix H.

The ASC monitors State Programs through virtual and on-site visits to the States. According to the ASC's Compliance Review Process in Appendix H, the ASC performs an on-site Compliance Review of each State at least once every two years. State 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 pandemic. On-site visits resumed in 2023.

The ASC's Compliance Review process is a risk-based review process, focusing on areas of State 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; (2) maintaining a strong regulatory program; and (3) limiting overall risk of State 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 on the conclusions of the review. 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, *2024 Compliance Review Findings*.) Actions taken under delegated authority are presented to the ASC at its next regularly scheduled quarterly meeting.

State Programs are issued one of the following Findings:

- Excellent
- Good
- Needs Improvement
- Not Satisfactory
- Poor

Appraiser Programs

In 2024, for State Appraiser Programs, the ASC Policy Managers completed 25 Compliance Reviews, six Priority Contacts, and no Follow-up Reviews. (*See* Appendix B, *2024 Compliance Review Findings*.) Of the 25 State Appraiser Program Compliance Reviews completed in 2024, five States (20%) received a Finding of Excellent; 13 States (52%) received a Finding of Good; four States (16%) received a Finding of Needs Improvement; three States (12%) received a finding of Not Satisfactory; and no States received a finding of Poor. The general areas of non-compliance with Title XI and the number of States experiencing those problems are presented in the *2024 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 also conducts a Priority Contact visit for individual States when a specific concern warrants special attention by the ASC.[9] 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. The ASC conducted six Priority Contacts in 2024, all were virtual.

[9] Priority Contact visits may be performed onsite or virtually.

AMC Programs

In 2024, the ASC completed 22 Compliance Reviews of State AMC Programs. As more States have developed State AMC Programs, their Compliance Reviews essentially doubled the workload of the ASC Program Managers. These Program Managers perform the State AMC Program Compliance Reviews during the same site visits as the State Appraiser Program Compliance Reviews. This similarly increased the workload of other staff, most of whom support the Compliance Reviews. Further, the State AMC Program Compliance Reviews frequently reveal at least one deficiency in the area of statute, regulations, or policies and procedures, with such findings in 95% of the States reviewed. Nevertheless, of the 22 State AMC Program Compliance Reviews completed in 2024, three States (14%) received a Finding of Excellent; 17 States (77%) received a Finding of Good; one State (4.5%) received a Finding of Needs Improvement; one State (4.5%) received a Finding of Not Satisfactory; and no States received a Finding of Poor. The general areas of non-compliance with Title XI and the number of States experiencing those problems are presented in the *2024 Compliance Review Findings* (Appendix B).

The State Appraiser and AMC Programs that received a Finding of Not Satisfactory are subject to increased scrutiny from the ASC in the form of a compressed review cycle and follow-up reviews. The State Appraiser and AMC Programs that received a finding of Needs Improvement also have some increased scrutiny from the ASC in the form of increased communication between the State and the ASC and the requirement for the State to provide logs or other documentation intermittently between review cycles.

Q.19

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.[10] 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 Real Property Appraiser Qualification Criteria*[11] *(Criteria);* and
- 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 AQB regarding the Concept Paper-Assessment of College Degree Requirements within the *Criteria*, urging the AQB to take a wide lens approach to the *Criteria* and use data driven metrics when considering any changes. The ASC also provided written comments to the BOT regarding the Standards of Conduct and Ethics proposed and adopted by the Foundation. The ASC commented on different versions of the Standards.

The ASC Board maintained an ongoing dialogue with the BOT in 2024.

[10] Title XI § 1103(b), 12 U.S.C. § 3332(b).

[11] Appraiser Qualifications Board, The Real Property Appraiser Qualification Criteria, January 1, 2022

ASC Grants

The ASC is authorized under Title XI to make grants to the Foundation to help defray the costs related to the activities of the ASB and AQB and to States to support their efforts to comply with Title XI.

The Grants Management Office (GMO) was able to successfully publish two NOFA announcements which allowed for the acceptance of new grant applications seeking ASC grant funding. The first NOFA opportunity was for the State Appraiser Regulatory Agencies Support (SARAS) Grant, which resulted in the submission of fifteen (15) grant applications seeking ASC grant funding. Of the fifteen (15) applications submitted from the States, six (6) were first-time applicants. The second NOFA opportunity was for The Appraisal Foundation Support (TAFS) Grant, which resulted in the submission of a grant application from the Foundation which the ASC funded.

ASC continued to strengthen its commitment to its grant-making authority with the onboarding of a full-time grants management specialist to help ensure grant recipients remain compliant with ASC grants, ultimately helping to reduce the risk of waste, fraud, or abuse of grant funds. ASC also complied with the implementation of the updated Title 2 of the CFR—Federal Financial Assistance[12] on all applicable grant agreements to align the requirement set by the Office of Management and Budget (OMB) to all federal agencies that issue federal financial assistance.

The ASC grantmaking-related activities in 2024 included:

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.

Grants are awarded on a 3-year cycle with the funding provided annually. Since 2020, the ASC has awarded over $3M 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 the credentialing of new appraisers. The 2024 SARAS NOFA resulted in grants totaling over $1.1M being awarded to the States of Arizona, Arkansas, California, Kentucky, Louisiana, Minnesota, Nebraska, North Carolina, Oregon, Texas, Utah, Vermont, and Wisconsin.

The Appraisal Foundation Grant

Title XI authorizes the ASC to make grants to the Foundation. Funds are to be used to help defray the costs of the ASB and AQB, which are authorized by Congress to set uniform standards and minimum qualifications for real estates appraisers. The ASC awarded a grant in the amount of $250,000 to help defray the costs of the Foundation relating to the activities of its AQB.

[12] https://www.ecfr.gov/current/title-2

Q.21

Strategic Plan

The ASC made progress toward its goals in the 2024-2028 Strategic Plan.

Charged with oversight of the real estate appraisal regulatory framework as it relates to federally related transactions, ASC's 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 the future, we remain committed to delivering on our mission, upholding our values of integrity, excellence, collaboration, service, and fairness. In the face of several external factors, like rapid technological advancements and changing economic conditions, the strategic plan enables us to be proactive and innovative.

The ASC was established by 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, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision.

Mission

The mission of the ASC is to ensure that the appraisal regulatory system promotes real estate appraisals that are conducted with accuracy and independence, 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 and monitoring and reviewing the work of the Appraisal Foundation. We aim 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 lead 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, and objectivity.

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.

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; and
3. Increase the agency's ability to attract and retain a competent and skilled talent pool.

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.[13] As of December 31, 2024, the Appraiser Registry contained 91,036[14] appraiser credentials, down from 94,522 entries at the end of 2023 (*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 can also 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; and
- Set up automatic queries of Appraiser Registry information using a web service that allows computer systems used by lenders, regulatory agencies, and other authorized parties to integrate directly with the Appraiser Registry.

Information about disciplinary actions States reported having taken against appraisers over the past 10 years appears in Appendix E, *Disciplinary Actions Reported by States*.

[13] Title XI § 1103(a)(3), 12 U.S.C. § 3332(a)(3).

[14] This number does not represent the number of individual appraisers as some appraisers have credentials from multiple States.

Q.23

AMC Registry

Title XI requires the ASC to maintain an AMC Registry of AMCs that are either registered with and subject to supervision of a State AMC Program or are Federally Regulated.[15] The AMC Registry became available for States to populate on July 16, 2018. As of December 31, 2024, 50 States registered AMCs.

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; and
- 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.

Information about disciplinary actions States reported having taken against AMCs since the AMC Registry opened in 2018 appears in Appendix E, *Disciplinary Actions Reported by States*.

[15] Title XI § 1103(a)(6), 12 U.S.C. § 3332(a)(6). Federally Regulated AMCs are AMCs owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency (Title XI § 1124 (c), 12 U.S.C. § 3353(c)).

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.[16] The ASC began operation of the 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, appraisal independence standards, or applicable laws. 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 5,329 contacts in calendar year 2024. Additionally, the toll-free telephone number received 645 calls and the email portal received 30 contacts. These contacts resulted in 298 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 2024. 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 some 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.

[16] 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, FHFA, and HUD adopted appraisal-related rules and policies. The OCC, Federal Reserve Board, FDIC, and NCUA also jointly issued the *Interagency Appraisal and Evaluation Guidelines* (Guidelines) for federally regulated institutions' appraisal and evaluation programs.[17] 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.[18]

[17] *See* 75 Fed. Reg. 77450 (December 10, 2010).

[18] FDIC: 12 CFR 323.1-323.7.; Federal Reserve Board: 12 CFR 225.61(b); 12 CFR 208.50- 208.51; OCC: 12 CFR 34.41-34.47; NCUA: 12 CFR 722.1-7
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Q.26

Interagency Activity

Temporary Exceptions to Appraisal Requirements in Maui County as Affected by Hawaii Wildfires

On March 12, 2024, the FDIC, Federal Reserve Board, NCUA, and OCC issued an action to temporarily pause certain appraisal requirements for real estate-related transactions in Maui County to allow banks and credit unions to work with families and businesses without obtaining appraisals. Banks and credit unions are still required to determine that the value of the real estate supports the institution's decision to enter into the transaction.

As a result of this temporary action, financial institutions were better able to lend or modify loans in areas where wildfire damage has made appraisals challenging to obtain and reduce loan processing times, helping to facilitate recovery from the disaster. This action will expire on August 10, 2026. The agencies will monitor institutions' real estate lending practices to help ensure the transactions are being originated in a safe and sound manner.

Quality Control Standards for Automated Valuation Models (AVM) Rulemaking

In July 2024, the CFPB, FDIC, FHFA, Federal Reserve Board, NCUA, and OCC adopted a final rule designed to implement quality control standards as mandated by the Dodd-Frank Act for AVMs used by mortgage originators and secondary market issuers in valuing residential real estate.[19]

Under the final rule, effective October 1, 2025, institutions that engage in certain credit decisions or securitization determinations must adopt policies, practices, procedures, and control systems to ensure that AVMs adhere to quality control standards designed to:

- ensure a high level of confidence in the estimates produced;
- protect against the manipulation of data;
- seek to avoid conflicts of interest;
- require random sample testing and reviews; and
- comply with applicable nondiscrimination laws.

Interagency Guidance on Reconsiderations of Value (ROV) of Residential Real Estate

On July 26, 2024, the CFPB, Federal Reserve Board, FDIC, NCUA, and OCC jointly issued guidance addressing ROVs for residential real estate transactions, which advises on policies and procedures 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.

Appraisals for Higher-Priced Mortgage Loans Exemption Threshold

On October 4, 2024, the CFPB, Federal Reserve Board, and OCC announced that the 2025 threshold for higher-priced mortgage loans that are subject to special appraisal requirements will increase from $32,400 to $33,500. The threshold amount, effective January 1, 2025, is based on the 3.4 percent annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as of June 1, 2024.

The Dodd-Frank Act added special appraisal requirements for higher-priced mortgage loans to the Truth in Lending Act (TILA), 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.

[19] *See* 89 Fed. Reg. 64538 (August 7, 2024)

Q.27

Member Agency Activity

Several ASC member agencies issued appraisal-related rules, guidance, and training in addition to the interagency rulemaking projects.

Federal Reserve Board

In 2024, the Federal Reserve Board, along with other agencies, issued a final rule that would implement quality control standards for AVMs used by mortgage originators and secondary market issuers in valuing real estate collateral securing mortgage loans. In addition, the Federal Reserve Board worked with other agencies to issue final 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.

Federal Reserve Board staff continued to engage with stakeholders in the appraisal industry, 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 Board staff continued to publish Community Banking Connections,[20] 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 2024, OCC leadership and staff participated in outreach, policy development, and other activities with various constituents involved in or impacted by 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, and seminar presentations. The OCC also provided training, information, and guidance on real estate lending, appraisals, and evaluations for internal and external audiences.

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.

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 2024. Through this outreach, the FDIC provided information on real estate lending, appraisals, and evaluations. As referenced earlier, the FDIC also worked with the other member agencies on interagency rulemakings for appraisal-related provisions of the Dodd-Frank Act, as well as interagency guidance on reconsiderations of value.

National Credit Union Administration

In July 2024, the NCUA joined the FDIC, OCC, FRB, CFPB, and FHFA to collectively issue a final rule on Quality Controls for Automated Valuation Models, which is mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act. Additionally, in July 2024, the NCUA also collaborated with the FDIC, OCC, CFPB, and Federal Reserve Board to issue the final *Interagency Guidance on Reconsiderations of Value of Residential Real Estate Valuations*.

[20] For more information on Community Banking Connections please visit https://www.communitybankingconnections.org/.

Q.28

Federal Housing Finance Agency

Throughout 2024 and early 2025, the Fannie Mae and Freddie Mac ("the Enterprises") have implemented policies aimed at modernizing single-family residential valuation, improving appraisal accuracy and quality, reducing the effect of appraiser shortages, and supporting effective risk management. This work included enhancements to the Enterprises' alternative valuation offerings and ongoing engagement with industry stakeholders including lenders, appraisers, software providers, appraisal management companies, mortgage insurers, and industry trade groups.

The number of active appraisers throughout the country continues to decline.[21] The overall attrition of appraisers contributes to higher consumer costs and extended loan cycle times, a trend that is more pronounced in rural markets. Alternatives to traditional appraisals, such as desktop and hybrid appraisals, allow the appraiser to determine a credible opinion of value without an onsite visit. These options ease appraiser capacity constraints and reduce loan cycle times in periods of high volume, while promoting appraiser independence. Appraisal waivers, an additional offering on certain loans that meet the loan eligibility criteria, have an added benefit of reducing closing costs. Consumers retain the right to obtain a traditional appraisal, even when alternative valuation products are offered.

The Enterprises began piloting the hybrid appraisal process in 2018 and, after testing hundreds of thousands of loans, announced broad Selling Guide availability for certain single-family and condo homes in February 2025.[22] The policies became effective in early 2025.

In October 2024, the Enterprises announced the loan-to-value ratio eligibility expansion of appraisal waivers on certain purchase loans from 80 percent to 90 percent.[23] Purchase loans over 90 percent and up to program limits, that are otherwise eligible for an appraisal waiver, must be accompanied with current Uniform Property Data (UPD) from an approved property data collector. The policies became effective in February 2025.

The Enterprises also continued a program to attract new entrants into the appraisal field, making significant progress in 2024. The Enterprises engaged with over 600 aspiring appraisers through 14 workshops, university outreach, and industry engagements. Industry partner sponsors are key to the program's success, and in 2024, the program secured seven new sponsors, bringing the total number of sponsors to 40. Through this work, the Enterprises awarded 275 scholarships in 2024, exceeding the goal of 200, and bringing the total of awarded scholarships to 945 since the program's inception.

The Reconsideration of Value (ROV) process has been a longstanding mortgage industry practice, which requests that an appraiser reassess the appraised value of a property due to potential appraisal reporting deficiencies, or based upon additional information the appraiser should consider. In May 2024, the Enterprises and HUD published consistent ROV policies,[24] with compliance required by October 31, 2024. The new policies provide clear requirements for lenders and appraisers, while also defining consumer and appraiser rights. Additionally, the Enterprises incorporated a new ROV section into the specifications of the redesigned Uniform Residential Appraisal Report (URAR)[25] to facilitate tracking of ROV outcomes at the appraisal level upon implementation. The Enterprises continue to explore methods of lender-level tracking.

In November 2024, the Enterprises announced aligned Selling Guide updates to the market area analysis reporting appraisal requirements to enhance appraisal accuracy.[26] The Selling Guides now include standardized definitions for "neighborhood" and "market area," and establish a 12-month minimum timeframe from which the overall market trend is derived. Additionally, appraisers must include an illustration of the methodology used to determine specific

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[21] *See* https://sf.freddiemac.com/docs/pdf/report/appraiser_capacity.pdf.

[22] *See* https://singlefamily.fanniemae.com/media/41601/display *and* Guide Bulletin 2025-1.

[23] *See* Fannie Mae Announces Changes to Appraisal Alternatives Requirements | Fannie Mae *and* Guide Bulletin 2024-16.

[24] *See* https://singlefamily.fanniemae.com/media/39081/display *and* https://guide.freddiemac.com/app/guide/bulletin/2024-6.

[25] *See* https://singlefamily.fanniemae.com/delivering/uniform-mortgage-data-program/uniform-appraisal-dataset *and* https://sf.freddiemac.com/tools-learning/uniform-mortgage-data-program/uad#technical-resources.

[26] *See* "Appraisal market areas" at https://singlefamily.fanniemae.com/media/40811/display *and* "Appraisal Market Area Analysis" at https://guide.freddiemac.com/app/guide/bulletin/2024-15.

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adjustments for changes in market conditions and provide a market analysis that supports those derived adjustments.

FHFA worked with the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council and all member agencies to publish a proposed rule to implement a framework to govern the ASC's enforcement authority concerning the effectiveness of state regulatory agency appraiser and Appraisal Management Company (AMC) programs. The proposed rule was published in the Federal Register on December 6, 2024[27] and the comment period closed on February 4, 2025.

FHFA worked with the OCC, FRB, FDIC, NCUA, and CFPB to issue the final rule on Quality Control Standards for Automated Valuation Models (AVMs), which was published in the Federal Register in August 2024.[28] The final rule implements 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. On February 12, 2025, legislation was introduced in the 119th Congress that would overturn this rule using the Congressional Review Act (CRA).[29]

The Enterprises continued their efforts in 2024 to leverage technology and data to further promote efficiency and cost savings in mortgage processes focusing on a multiyear project, begun 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 UAD and Forms Redesign project also entails replacing all existing appraisal forms with a single dynamic Uniform Residential Appraisal Report (URAR) that reflects current appraisal data needs across all property types and provides the flexibility to adapt to future needs. The project incorporates extensive feedback from, and reflects collaboration with, appraisers, lenders, vendors, consumer advocates, and other industry stakeholders.

To advance the project, the Enterprises focused on the provision of additional resources, outreach, and training as part of their joint education and communication strategy. Resources included publication of a lender readiness kit[30] and additional testing scenarios, distribution of a Compliance Rules Application Programming Interface for vendor use, and provision of a detailed implementation timeline[31] to spur industry 2025 planning efforts. A November 2024 vendor forum was held to discuss development progress and implementation strategies plus gauge participant readiness and future needs. The Enterprises made available a free 17-module industry training[32] focusing on the use and review of the updated URAR and finished development of both instructor-led and online training for appraisers with Appraiser Qualifications Board (AQB) approvals. Education providers are actively seeking state regulatory approval to offer the trainings.

The UAD update and forms redesign effort remain priorities in the 2025 Scorecard, with the Enterprises assisting industry participants to prepare for a "Limited Production Period"[33] ahead of the "Broad Production" in January 2026.[34] The Enterprises will continue to seek stakeholder feedback to address any development challenges

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[27] https://www.federalregister.gov/documents/2024/12/06/2024-27698/appraisal-subcommittee-enforcement-authority-regarding-the-effectiveness-of-state-appraiser-and.

[28] 89 FR 64538 (Aug. 7, 2024) at https://www.federalregister.gov/documents/2024/08/07/2024-16197/quality-control-standards-for-automated-valuation-models.

[29] H.J. Res. 52, 119th Cong. (as introduced, February 12, 2025) *at* BILLS-119hjres52ih.pdf.

[30] See "Lender Readiness Kit" at https://singlefamily.fanniemae.com/media/39261/display and https://sf.freddiemac.com/docs/pdf/uad-lender-readiness-kit.pdf.

[31] *See* "Updated UAD redesign timeline with specific implementation dates" *at* https://singlefamily.fanniemae.com/news-events/updated-uad-redesign-timeline-specific-implementation-dates *and* https://singlefamily.fanniemae.com/news-events/updated-uad-redesign-timeline-specific-implementation-dates.

[32] *See* https://sf.freddiemac.com/tools-learning/uniform-mortgage-data-program/uad#business-resources *and* https://www.fanniemae.com/course/singlefamily/uadtrainingfiles/story.html.

[33] The Limited Production Period begins on September 8, 2025, and runs through January 25, 2026.

[34] *See* "Limited Production Readiness Overview for Lenders" *at* https://singlefamily.fanniemae.com/media/41631/display and https://sf.freddiemac.com/docs/pdf/lppannouncement_02_2025.pdf.

and add training materials as required to support mortgage industry implementation efforts.

Department of Housing and Urban Development

Over the past year, HUD's Federal Housing Administration (FHA) played a major role in providing access to affordable mortgage credit that enabled hundreds of thousands of individuals and families to own their own home. More than 82 percent of FHA purchase mortgage insurance endorsements in fiscal year 2024 went to first-time homebuyers.

Also, even as the supply of existing single-family homes for sale diminished over the last three years, the FHA steadily increased the share and number of mortgages it insured for newly constructed homes. In fiscal year 2024, the FHA's endorsement count for mortgages on newly constructed homes was 25.64 percent of its overall forward purchase endorsement count.

To further promote first-time homeownership and the availability of affordable housing, the FHA has taken steps in 2024 to update policies and operations for appraisals underpinning FHA-insured mortgage transactions. FHA continued to review its policies and programs for improvements and took concrete action to modernize appraisal systems and improve appraisal data analysis. These actions included:

- On September 20, 2024, the FHA implemented new functionality in the FHA Catalyst: Electronic Appraisal Delivery (EAD) Module, eliminating the FHA's reliance on its legacy appraisal processing system to receive appraisal submissions. This update laid the foundation for modernization of the FHA's appraisal data storage, dissemination, and analytical capabilities, as detailed in HUD's Single Family Housing Policy Handbook 4000.1.

- The FHA continued to modernize its EAD Module, developing improved analytical tools and appraisal review processes and laying the operational groundwork for future developments responsive to upcoming industry modernization efforts.

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Financial Status of the ASC

In FY 2024, the ASC's revenue totaled approximately $9.7 million, and expenses (including funds included in the budget for the State grants) totaled approximately $8.8 million. ASC revenue dropped 17% from the FY 2023 total revenue of $11.8 million, while expenses increased 54% over FY 2023 expenses of $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 $3.5 million in FY 2024. Annual AMC Registry fees are paid by AMCs consistent with the ASC rule on collection and transmission of AMC Registry fees.[35] 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 $6.2 million in FY 2024. Appendix A contains the external auditor's report, including ASC's audited financial statements for FY 2024, ending September 30, 2024. The ASC realized a net gain of approximately $1 million and has reserves of $29 million. The ASC continues to monitor its stewardship of the funds entrusted to it. The bar graph reflects expenditures versus budgeted amounts for the most recent five-year period. ASC's continuing efforts to operate in an efficient and effective manner are demonstrated by ASC consistently holding expenditures below budgeted amounts.

[35] 12 CFR 1102.400 - 1102.403.

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APPENDICES

APPRAISAL SUBCOMMITTEE

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED
SEPTEMBER 30, 2024 AND 2023

APPRAISAL SUBCOMMITTEE

FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

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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 audits of the fiscal years 2024 and 2023 financial statements of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC), we found:

- the financial statements as of and for the fiscal year ended September 30, 2024 and 2023 are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- internal control over financial reporting was not effective as of September 30, 2024; and
- there was a reportable noncompliance for fiscal year 2024 with provisions of applicable laws, regulations, contracts, and grant agreements that we tested.

The following sections discuss in more detail (1) our report on the financial statements and on internal control over financial reporting, a section on required supplementary information (RSI) and a section on other information included with the financial statements, (2) our report on compliance with laws, regulations, contracts, and grant agreements which includes an emphasis-of matter paragraph related to an Antideficiency Act (ADA) violation and (3) agency comments and our evaluation.

Report on the Financial Statements and on Internal Control over Financial Reporting

Opinion on the Financial Statements

In accordance with the Accountability of Tax Dollar Act of 2002 (ATDA) (Pub. L. No. 107-289), we have audited ASC's financial statements. ASC's financial statements comprise the balance sheets as of September 30, 2024, and 2023; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years 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, 2024, and 2023 and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

However, misstatements may nevertheless occur in unaudited financial information reported internally or externally by ASC as a result of the internal control deficiencies described in this report.

Basis for Opinion on the Financial Statements

We conducted our audits 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 Audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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Qualified Opinion on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the ASC's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the ASC's internal control. Accordingly, we do not express an opinion on the effectiveness of the ASC's internal control. We limited our internal control testing to those controls necessary to achieve the objectives described in Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements.* We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982 ("FMFIA"), such as those controls relevant to ensuring efficient operations.

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, 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 that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we identified the following material weaknesses:

- Grants Payable
- Accounts Receivable
- Property and Equipment

In our opinion, because of the identified material weakness in internal control ASC did not maintain, in all material respects, effective internal control over financial reporting as of September 30, 2024, based on criteria established under FMFIA. These matters are further discussed in Exhibit I of this report.

In addition to the material weakness in internal control over Grants Payable, Accounts Receivable and Property and Equipment, we also identified a deficiency in ASC's internal control over financial reporting that we do not consider to be a material weakness or significant deficiency. Nonetheless, this deficiency warrants ASC's management's attention. We have communicated this matter to ASC's management and, where appropriate, will report on them separately.

Emphasis of Matter

In a Decision dated August 28, 2024, the U.S. Government Accountability Office (GAO) determined that the ASC violated the purpose statute, 31 U.S.C. § 1301(a), and the Antideficiency Act, 31 U.S.C. § 1341 when it awarded a cooperative agreement to a nonprofit entity. The ASC does not agree that a violation has occurred, and its report to the President, the Congress, and the Comptroller General, as directed by OMB Circular A-11 § 145.8. and that was coordinated and approved by the Office of Management and Budget (OMB), explained ASC's position. This matter is further discussed in Note 14.

Responsibility of Management for the Financial Statements

Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles;
- preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles;
- 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;
- 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;
- assessing the effectiveness of internal control over financial reporting based on the criteria established under FMFIA; and
- its assessment about the effectiveness of internal control over financial reporting as of September 30, 2024.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether effective internal control over financial reporting was maintained in all material respects, and (2) issue an auditor's report that includes our opinions. 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 or an audit of internal control over financial reporting 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 of financial statements 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.
- 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.

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 (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our 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, background and statistical sections. Other information 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 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 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

The results of the tests for ASC's compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements for fiscal year 2024, in connection with our audit of ASC's financial statements and consistent with our auditor's responsibilities, is described below.

Basis for the 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 tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed one instance of noncompliance for fiscal year 2024 that would be reportable under U.S. generally accepted government auditing standards. This matter is further discussed in Exhibit II of this report. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, and grant agreements applicable to ASC. Accordingly, we do not express such an opinion.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

ASC's 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 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 provisions of 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.

Agency Comments

We provided ASC with a draft of our report on May 19, 2025, and received ASC's response on May 19, 2025. ASC's response to our report was not subject to the auditing procedures that we applied to our audit of the financial statements and, therefore, we express no opinion on the response.

Brown & Company

Greenbelt, Maryland
May 19, 2025

Finding #2024-01 Grants Payable Not Recorded in the Governmentwide Treasury Account Symbol (GTAS) Adjusted Trial Balance

Condition:

The account balance for Grants Payable was not recorded in the Governmentwide Treasury Account Symbol (GTAS) adjusted trial balance and subsequently not presented in the Appraisal Subcommittee's (ASC's) Balance Sheet as of September 30, 2024 prepared by the General Services Administration's (GSA) External Services Branch.

GSA's External Services Branch provides accounting services to the ASC. The External Services Branch provides guidance for submitting data to ensure that relevant transactions are recorded for inclusion in the fiscal year end closing in the *Fiscal Year End Closing Financial Responsibilities for Client Agencies*. ASC failed to ensure that the Grants Payable account balance recorded in its SAGE Intaact Enterprise Resource Planning System (Sage) trial balance was submitted to the External Services Branch for inclusion in the GTAS trial balance. Additionally, ASC failed to adhere to the *Treasury Financial Manual (TFM) Bulletin 2024-05* for year-end closing activities. As a result, the balance was omitted from ASC's Balance Sheet as of September 30, 2024.

Specifically, ASC did not submit the following account balances to GSA for inclusion in the year end closing and subsequent presentation in the GTAS trial balance. The account balances are recorded in ASC's Sage trial balance.

Account Number	Account Name	Opening balance on 10/01/2023	Debit	Credit	Closing balance on 09/30/2024
20003	Grants Payable	$ -	$ 15,000.00	$ -	$ 15,000.00
20003-FG	Federal Grants Payable	$ 0.08	$ -	$ 250,000.08	$ (250,000.00)
20003-SG	State Grants Payable	$ (2,878.53)	$ 278,863.82	$ 2,054,016.66	$ (1,778,031.37)
					$ (2,013,031.37)

Criteria:

- *Federal Accounting Standards Advisory Board's (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) 1* states that ***other current liabilities*** should be used to report current liabilities that are not recognized in specific categories.
- *FASAB SFFAS 5* states that general purpose federal financial reports should recognize probable and measurable future outflows of resources.
- *OMB Circular A-136* Revised (May 2024), Section II.3.2.4 states that financial statements must recognize probable and measurable outflows.
- *Treasury Financial Manual (TFM) Bulletin 2024-05*: provides requirements for agencies to accurately record and report year-end account balances.
- *Fiscal Year End Closing Financial Responsibilities for Client Agencies* issued by GSA's External Services Branch, Financial Information & Operations Division (FY 2024) outlines submission responsibilities for client agencies to ensure proper recording of financial data.

Cause:

ASC has not fully implemented the required year-end closing procedures necessary to ensure accurate and comprehensive federal financial statements.

Effect:

The financial statements at the fiscal year end September 30, 2024 are misstated. Specifically, Other Than Intragovernmental Liabilities are understated in the amount of $2,013,031.37.

Questioned Cost:

There were no questioned costs.

Recommendations:

We recommend that ASC:

- Prepare and record an audit adjustment to accurately reflect the account balance in the financial statements.
- Develop and implement formal procedures to ensure that all year-end account balances recorded in the Sage trial balance are submitted timely and accurately to GSA. These procedures should align with External Services Branch instructions, TFM Bulletins and OMB guidance.
- Perform supervisory reviews to verify that all required balances are appropriately recorded in GTAS and reflected in the financial statements.

Management's Response:

Thank you for your thorough review and audit of our Notice of Finding and Recommendation (NFR) regarding the material weakness in internal control over financial reporting. We appreciate your insights and have carefully reviewed the finding.

The issue identified pertains to the Grants Payable account balance, which was not recorded in the Governmentwide Treasury Account Symbol (GTAS) adjusted trial balance and, as a result, was omitted from the Appraisal Subcommittee's (ASC's) Balance Sheet as of September 30, 2024, prepared by the General Services Administration's (GSA) External Services Branch.

As a small, independent federal agency with 17 FTEs, the ASC relies on a single Financial Manager to oversee all finance and budget operations. We maintain a service-level agreement with GSA for accounting support. During the fiscal year under audit, the Financial Manager coordinated with GSA on monthly cash receipts and disbursements. However, the Grants Payable account recorded in ASC's internal records was not reflected in GSA's records. We have since worked with GSA to revise the financial statements to include the correct account balance.

To prevent recurrence, ASC will implement a monthly reconciliation process with GSA to ensure that the Grants Payable account on GSA's financial statements aligns with ASC's records. We remain committed to full compliance and continuous improvement in line with best practices. Please let us know if further clarification or additional documentation is needed.

Auditor's Response to Management's Response

We acknowledge ASC's response to the finding. We have no further comment.

Finding #2024-02 Accounts Receivable Not Recorded in the Governmentwide Treasury Account Symbol (GTAS) Adjusted Trial Balance

Condition:

The account balance for Accounts Receivable was not recorded in the Governmentwide Treasury Account Symbol (GTAS) adjusted trial balance and subsequently not presented in the Appraisal Subcommittee's (ASC's) Balance Sheet as of September 30, 2024, prepared by the General Services Administration's (GSA) External Services Branch**.** GSA's External Services Branch provides accounting services to ASC.

ASC failed to ensure that the Accounts Receivable account balance recorded in its Sage trial balance was submitted to the External Services Branch for inclusion in the GTAS trial balance. Additionally, ASC failed to adhere to the *Treasury Financial Manual (TFM) Bulletin 2024-05* for year-end closing activities. As a result, the balance was omitted from ASC's Balance Sheet as of September 30, 2024.

Specifically, ASC did not submit the following account balances to GSA for inclusion in the year-end closing and subsequent presentation in the GTAS trial balance. The omitted account balances recorded in ASC's Sage trial balance, but not reflected in the GTAS trial balance, are detailed below:

Account Number	Account Name	Opening Balance on 10/01/2023	Debit	Credit	Closing Balance on 09/30/2024
11000	Accounts Receivable	$2,342,841	$2,175,476	$1,514,620	$3,003,697

Criteria:

- *Federal Accounting Standards Advisory Board's (FASAB) Statement of Federal Financial Accounting Standards (SFFAS)1*: *Accounting for Selected Assets and Liabilities*, paragraph 40 states that "... a receivable should be recognized when a federal entity establishes a claim to cash or other assets against other entities, either based on legal provisions, such as a payment due date …".
- *OMB Circular A-136* Revised (May 2024), Section II.3.8.6 states that the entity must disclose gross receivables, the method used to estimate the allowance for uncollectable accounts and the net amount due (*in accordance with SFFAS 1*).
- *Treasury Financial Manual (TFM) Bulletin 2024-05*: provides guidance for yearend closing procedures and proper recording of financial information in GTAS.
- *Fiscal Year End Closing Financial Responsibilities for Client Agencies* issued by GSA's External Services Branch, Financial Information & Operations Division (FY 2024) outlines submission responsibilities for client agencies to ensure proper recording of financial data.

Cause:

ASC did not establish or follow formal procedures to ensure the timely recognition and submission of yearend trial balance data – specifically the Accounts Receivable balances – to GSA for GTAS reporting.

Effect:

The omission of $3,003,697 in Accounts Receivable resulted in an understatement of ASC's Total Assets (Other than Intragovernmental) as of September 30, 2024, thereby materially misstating the financial statements.

Questioned Cost:

There were no questioned costs.

Recommendation:

We recommend that ASC:

- Prepare and record an audit adjustment to accurately reflect the correct Accounts Receivable balance in the financial statements.
- Develop and implement written procedures to ensure that all year-end account balances recorded in the Sage trial balance are accurate and submitted timely to GSA. These procedures should align with External Services Branch instructions and the TFM Bulletins and OMB guidance.
- Conduct supervisory reviews to verify that financial data reported to GSA agrees with ASC's internal accounting records and is accurately reflected in GTAS.

Implementing these recommendations will strengthen internal control over financial reporting and improve the reliability of ASC's financial statements.

Management's Response:

Thank you for your thorough review and audit of our Notice of Finding and Recommendation (NFR) regarding the material weakness in internal control over financial reporting. We appreciate your insights and have carefully reviewed the finding.

The issue identified pertains to the account balance for Accounts Receivable was not recorded in the Governmentwide Treasury Account Symbol (GTAS) adjusted trial balance and subsequently not presented in the Appraisal Subcommittee's (ASC's) Balance Sheet as of September 30, 2024, prepared by the General Services Administration's (GSA) External Services Branch**.** GSA's External Services Branch provides accounting services to ASC.

As a small, independent federal agency with 17 FTEs, the ASC relies on a single Financial Manager to oversee all finance and budget operations. We maintain a service-level agreement with GSA for accounting support. During the fiscal year under audit, the Financial Manager coordinated with GSA on monthly cash receipts and disbursements. However, the Accounts Receivable account recorded in ASC's internal records was not reflected in GSA's records. We have since worked with GSA to revise the financial statements to include the correct account balance.

To prevent recurrence, ASC will implement a monthly reconciliation process with GSA to ensure that the accounts receivable on GSA's financial statements align with the ASC's records. We remain committed to full compliance with the Treasury Financial Manual (TFM) for year-end closing activities and maintain continuous improvement with best practices. Please let us know if further clarification or additional documentation is needed.

Auditor's Response to Management's Response

We acknowledge ASC's response to the finding. We have no further comment.

Finding #2024-03 Property, Plant and Equipment, Net Balance Was Incorrectly Recorded in the Governmentwide Treasury Account Symbol (GTAS) Adjusted Trial Balance

Condition:

The account balance for Property, Plant and Equipment, Net was incorrectly recorded in the Governmentwide Treasury Account Symbol (GTAS) adjusted trial balance and subsequently not presented correctly in the Appraisal Subcommittee's (ASC's) Balance Sheet as of September 30, 2024 prepared by the General Services Administration's (GSA) External Services Branch. GSA's External Services Branch provides accounting services to the ASC.

ASC failed to update the Fixed Asset Schedule and submit the correct Property, Plant, and Equipment, Net account balances from its Sage accounting system to the GSA for inclusion in the GTAS trial balance. This resulted in the erroneous reporting of PP&E, Net on the financial statements and noncompliance with applicable financial reporting guidance, including Treasury Financial Manual (TFM) Bulletin 2024-05.

Additionally, ASC did not reconcile the balances in the GTAS trial balance with the balances in the Sage accounting system.

Criteria:

- Federal Accounting Standards Advisory Board's (FASAB) *Statement of Federal Financial Accounting Standards (SFFAS) 6: Accounting for Property, Plant and Equipment (PP&E)* provides standards for recording and presenting general PP&E.
- *OMB Circular A-136* Revised (May 2024), Section II.3.2.4 states that financial statements must recognize probable and measurable outflows.
- *Treasury Financial Manual (TFM) Bulletin 2024-05*: provides requirements for agencies to accurately record and report year-end account balances.
- *Fiscal Year End Closing Financial Responsibilities for Client Agencies* issued by GSA's External Services Branch, Financial Information & Operations Division (FY 2024) outlines submission responsibilities for client agencies to ensure proper recording of financial data.

Cause:

ASC did not update its Fixed Asset Schedule as of September 30, 2024, and did not submit accurate account balances from the Sage trial balance to GSA for inclusion in GTAS and the financial statements due to a lack of formal procedures to follow.

Effect:

The Property, Plant, and Equipment, Net balance was misstated in the GTAS trial balance and the financial statements at September 30, 2024. The discrepancies are as follows:

- **GTAS Trial Balance (GSA):** $18,344.11
- **Balance Sheet (GSA):** $18,344.11
- **ASC Sage Trial Balance:** $1,086,900.65

This significant variance indicates a material weakness in internal control over financial reporting and could impair the reliability and accuracy of ASC's financial statements.

Questioned Cost:

There were no questioned costs.

Recommendations:

We recommend that ASC:

- Prepare and record audit adjustments to reflect the accurate Property, Plant, and Equipment, Net balance in the financial statements.
- Develop and implement written procedures to ensure that the Fixed Asset Schedule is reviewed and updated at yearend prior to submission of balances to GSA.
- Establish controls to ensure all yearend account balances in the Sage trial balance are timely and accurately submitted to GSA, in accordance with guidance from GSA's External Services Branch, OMB Circular A-136, and the TFM Bulletins.
- Conduct supervisory reviews of final account balances to verify that the data in ASC's internal accounting records is accurately reflected in GSA's GTAS financial data.

Management's Response:

Thank you for your thorough review and audit of our Notice of Finding and Recommendation (NFR) regarding the material weakness in internal control over financial reporting. We value your insights and have carefully reviewed the finding.

The identified issue pertains to the account balance for Property, Plant and Equipment, Net was incorrectly recorded in the Governmentwide Treasury Account Symbol (GTAS) adjusted trial balance and subsequently not presented correctly in the Appraisal Subcommittee's (ASC's) Balance Sheet as of September 30, 2024 as prepared by the General Services Administration's (GSA) External Services Branch**.** GSA's External Services Branch provides accounting services to the ASC.

As a small, independent federal agency with 17 FTEs, the ASC relies on a single Financial Manager to oversee all finance and budget operations. We maintain a service-level agreement with GSA for accounting support. During the fiscal year under audit, the Financial Manager coordinated with GSA on monthly cash receipts and disbursements. However, the Property, Plant and Equipment account recorded in ASC's internal records was not reflected in GSA's records. We have since worked with GSA to revise the financial statements to include the correct account balance.

To prevent recurrence, ASC will implement a monthly reconciliation process with GSA to ensure that the accounts receivable account on GSA's financial statements align with the ASC's records. We reaffirm our commitment to full compliance with the Treasury Financial Manual (TFM) for all year-end closing activities. We continue to prioritize adherence to these standards while striving for continuous improvement through the adoption of best practices. Please let us know if further clarification or additional documentation is needed.

Auditor's Response to Management's Response

We acknowledge ASC's response to the finding. We have no further comment.

Independent Auditor's Report
Exhibit II Noncompliance with Laws & Regulations
Findings and Recommendations

Finding #2024--04 Antideficiency Act Violation

Condition

In a Decision dated August 28, 2024, the U.S. Government Accountability Office (GAO) determined that the Appraisal Subcommittee (ASC) violated the purpose statute, 31 U.S.C. § 1301(a), and the Antideficiency Act, 31 U.S.C. § 1341 when it awarded a cooperative agreement to an ineligible nonprofit entity.

The GAO determined that the ASC had no authority to award a grant for the purpose of developing and creating training to be provided to its regulated entities. The GAO also found that the ASC's appropriation was available to obtain the development of a census survey and a review of appraisal standards and appraiser qualification criteria. An agency violates the Antideficiency Act if it incurs an obligation in excess of legally available amounts. No amount is available for an unauthorized purpose.

The ASC does not agree that a violation has occurred, and its report that was coordinated and approved by the Office of Management and Budget (OMB) explained ASC's position. ASC has stated that it did not violate the purpose statute when it entered into the cooperative agreement because 12 U.S.C. § 3338(b) permits the ASC to make grants to support its activities. The ASC maintains that training for States (regulated entities) is included in the broad authority of 12 U.S.C. § 3338(b). The ASC believes its permanent appropriation permits the agency to use fee collections to support its activities. The cooperative agreement aimed to support ASC's activities. ASC has stated a violation of the purpose statute does not necessarily result in an Antideficiency Act violation. Additionally, ASC states that the choice in funding instrument does not alone violate the Antideficiency Act. The ASC has terminated the cooperative agreement with the nonprofit entity. ASC reported the transaction to the President, the Congress and the Comptroller General as directed by OMB Circular A-11 § 145.8.

Criteria

- Title 31 U.S.C. Section 1351 *Reports on Violations* states If an officer or employee of an executive agency or of the District of Columbia government violates section 1341(a) or 1342 of this title, the head of the executive agency or the Mayor of the District of Columbia, as the case may be, shall report immediately to the President and Congress all relevant facts and a statement of actions taken. A copy of each report shall also be transmitted to the Comptroller General on the same date the report is transmitted to the President and Congress.

- OMB Circular A-11, PREPARATION, SUBMISSION, AND EXECUTION OF THE BUDGET, Section 145-REQUIREMENTS FOR REPORTING ANTIDEFICIENCY ACT VIOLATIONS outlines the requirements for reporting Antideficiency Act violations within a federal agency. It clarifies the reporting responsibilities and ensures that agencies have a clear understanding of how to identify and report violations of the Antideficiency Act.

Cause:

The ASC mistakenly interpreted 12 U.S.C. § 3338(b) to permit awarding a grant to any entity other than a State or the Appraisal Foundation. The former Grants Director and former General Counsel did not properly research or interpret the statute. The ASC Board also approved the Cooperative Agreement unanimously.

Effect:

OMB supported ASC's position that it was essentially in compliance with the Antideficiency Act.

Questioned Cost:

There were no questioned costs.

Recommendation:

ASC should implement policies and procedures to ensure that it doesn't happen again.

Management's Response:

The ASC management agreed with the Finding. The ASC has looked at this action to make sure this doesn't happen again and the cooperative agreement has been closed out.

Auditor's Response to Management's Response

We acknowledge ASC's response to the finding. We have no further comment.

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.

This Management's Discussion and Analysis (MD&A) is prepared in accordance with the agency's financial reporting requirements, as outlined in the Agency Head's transmittal letter dated May 19, 2025 and the form and content requirements as noted in OMB Circular A-136 revised, Financial Reporting Requirements. The transmittal letter also provides a high-level overview of the agency's financial performance and sets the context for the detailed analysis provided in this MD&A.

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.

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.
- 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 how each function assigned to the ASC was carried out during the preceding year.

Title XI also permits 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 ensuring that the appraisal regulatory system promotes real estate appraisals that are conducted with accuracy and independence, in compliance with federal and State regulations. The ASC works 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 and monitoring and reviewing the work of the Appraisal Foundation. We aim to maintain public trust in the appraisal profession by ensuring that appraisers are effectively regulated.

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.

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; and
3. Increase the agency's ability to attract and retain a competent and skilled talent pool.

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 enhance the ASC's security.
2. Updating the Administrative Control of Funds Policy for compliance with the Antideficiency Act (31 U.S.C. §§ 1341, 1342, 1349-1351, 1511-1519), OMB Circular A-11 and other applicable laws.
3. Maintaining a one-year operating reserve to provide financial stability and flexibility to cover any unexpected revenue shortfalls or unexpected expenses.
4. 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.
5. Implementing a cloud-based Enterprise Resource Planning (ERP) system that more efficiently manages resources, improves financial reporting, and improves budget management.

Additionally, the ASC continues to implement 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. Developing and implementing Compliance Review software supporting the States' regulatory agencies throughout the entire Compliance Review lifecycle.
3. Maintaining the security and continued operations of the National Registry to provide reliable and efficient access to appraiser and AMC credentialing information.

Strategic Goal 2: Support States' Ability to Maintain Compliance with the appraiser and AMC programs.

Title XI has charged the ASC with the important responsibilities of oversight and support of the State regulatory agencies. The ASC continues to promote and expand its grant program to the States and the Appraisal Foundation in ways that support 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 the Agency's ability to attract and retain a competent and skilled talent pool.

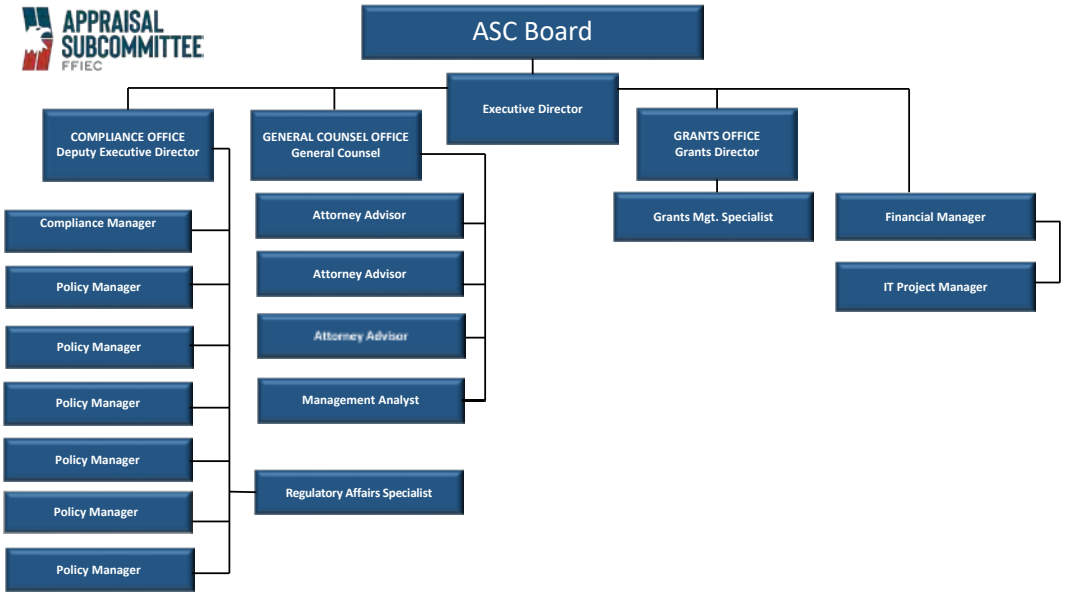
The ASC values a work environment where everyone can thrive and succeed, allowing staff career advancement, succession planning, and skills improvement by:

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.

Economic Conditions

ASC revenue is generated by fees collected from the National Registry of Appraisers and AMCs. The U.S. economy continues to experience higher interest rates than in the recent past. This has decreased lending and appraisal activity which will potentially impact ASC revenue.

Appraisal Subcommittee Organizational Chart



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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 on the financial position and results of operations of the ASC. ASC's management is responsible for 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 Statements 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, 2024 and 2023

Assets

		2024	2023
Assets:			
Intragovernmental Assets:			
Fund Balance With Treasury			
Unrestricted Fund Balance with Treasury	(Note 2)	$ 27,748,043	$ 25,587,509
Restricted Fund Balance with Treasury	(Note 2)	5,562,665	4,521,800
Total Intragovernmental Assets		33,310,708	30,109,309
Accounts Receivable, Net	(Note 3)	3,003,697	2,342,841
Property, Plant and Equipment, Net	(Note 4)	1,088,850	1,411,837
Total Assets		37,403,255	33,863,987

Liabilities and Net Position

Liabilities:			
Intragovernmental Liabilities:			
Accrued Funded Payroll and Leave	(Note 8)	$ 19,056	$ 55,875
Federal Employee Salary, Leave, and Benefits Payable	(Note 5)	319,174	264,123
Total Intragovernmental Liabilities		338,230	319,998
Other than Intragovernmental Liabilities:			
Unearned Revenues	(Note 1)	1,508,508	1,424,898
Restricted Funds Held for Others	(Note 1)	4,625,600	4,254,918
Accounts Payable		150,325	73,382
Grants Payable	(Note 8)	2,013,031	2,879
Total Other than Intragovernmental Liabilities		8,297,464	5,756,077
Total Liabilities		8,635,694	6,076,075
Net Position:			
Cumulative Results of Operations - All		28,767,561	27,787,912
Total Net Position		28,767,561	27,787,912
Total Liabilities and Net Position		$ 37,403,255	$ 33,863,987

The accompanying notes are an integral part of the Financial Statements.

APPRAISAL SUBCOMMITTEE

Statements of Net Cost
For The Years Ended September 30, 2024 and 2023

	2024	2023
Program Costs:		
Public Costs	$ 8,803,173	$ 5,695,555
Less: Earned Revenue	(9,782,822)	(11,733,580)
Net Program Costs	**$ (979,649)**	**$ (6,038,025)**

The accompanying notes are an integral part of the Financial Statements.

APPRAISAL SUBCOMMITTEE

Statements of Changes in Net Position
For The Years Ended September 30, 2024 and 2023

	2024	2023
Cumulative Results of Operations:		
Beginning Balance	$ 27,787,912	$ 21,749,886
Beginning Balance, As Adjusted	27,787,912	21,749,886
Budgetary Financing Sources:		
Appropriations used	-	-
Other Financing Sources:		
Imputed financing	-	-
Total Financing Sources	-	-
Net Cost of Operations (+/-)	979,649	6,038,025
Net Change	979,649	6,038,025
Cumulative Results of Operations	$ 28,767,561	$ 27,787,912
Unexpended Appropriations:		
Beginning Balance	$ -	$ -
Beginning Balance, As Adjusted	-	-
Budgetary Financing Sources:		
Appropriations received	10,348,565	10,279,230
Other adjustments	-	-
Appropriations used	(10,348,565)	(10,279,230)
Total Budgetary Financing Sources	-	-
Total Unexpended Appropriations	-	-
Net Position	$ 28,767,561	$ 27,787,912

The accompanying notes are an integral part of the Financial Statements.

APPRAISAL SUBCOMMITTEE

Statements of Budgetary Resources
For The Years Ended September 30, 2024 and 2023

	2024 Budgetary	2023 Budgetary
Budgetary Resources:		
Unobligated balance brought forward, October 1	$ 22,437,843	$ 18,326,441
Unobligated balance brought forward, October 1, as adjusted	22,437,843	18,326,441
Recoveries from prior year unpaid obligations	304,754	132,749
Recoveries from prior year paid obligations	-	2,551
Other changes in unobligated balance	-	-
Unobligated balance from prior year budget authority, net	22,742,597	18,461,741
Appropriations (Discretionary and Mandatory)	10,348,565	10,279,230
Total Budgetary Resources	$ 33,091,162	$ 28,740,971
Status of Budgetary Resources:		
New obligations and upward adjustments (total)	$ 6,962,424	$ 6,303,128
Unobligated balance, end of year		
Apportioned, unexpired accounts	-	-
Unapportioned, unexpired accounts	26,128,738	22,437,843
Unexpired unobligated balance, end of year	26,128,738	22,437,843
Expired unobligated balance, end of year	-	-
Unobligated balance, end of year	26,128,738	22,437,843
Total Status of Budgetary Resources	$ 33,091,162	$ 28,740,971
Change in Obligated Balance:		
Unpaid obligations:		
Unpaid obligations, brought forward, October 1	$ 647,113	$ 549,217
New obligations and upward adjustments	6,962,424	6,303,128
Outlays (gross) (-)	(6,371,565)	(6,072,483)
Recoveries of prior year unpaid obligations	(304,754)	(132,749)
Unpaid obligations, end of year	933,218	647,113
Uncollected payments:		
Uncollected payments, Fed sources, brought forward, October 1 (-)	-	-
Change in uncollected payments, Fed sources (+/-)	-	-
Uncollected payments, Fed sources, end of year (-)	-	-
Obligated balance, start of year (+/-)	647,113	549,217
Obligated balance, end of year (+/-)	$ 933,218	$ 647,113
Budget Authority and Outlays, Net:		
Budget authority, gross (discretionary and mandatory)	$ 10,348,565	$ 10,279,230
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)	10,348,565	10,279,230
Outlays (gross) (discretionary and mandatory)	(6,371,565)	(6,072,483)
Actual offsetting collections (discretionary and mandatory)	-	2,552
Outlays, net (total) (discretionary and mandatory)	(6,371,565)	(6,069,931)
Agency Outlays, net (discretionary and mandatory)	$ (6,371,565)	$ (6,069,931)

The accompanying notes are an integral part of the Financial Statements.

APPRAISAL SUBCOMMITTEE

Notes to the Financial Statements
September 30, 2024 and 2023

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 of title 12 Code of Federal Regulations. Section 1102.402 establishes the annual AMC registry fee for States that elect to register and supervise AMCs 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, 2024 and 2023

Reporting Entity

The ASC's financial statements should be read with the realization that they are for a component of the U.S. Government whose liabilities not covered by budgetary resources cannot be liquidated without the enactment of an appropriation, and that the payment of all liabilities other than for contracts can be abrogated by the Federal Government acting in its capacity.

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, Financial Reporting Requirements (OMB Circular 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 are prepared 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, 2024 and 2023, 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.

Starting in FY 2024, Federal reporting entities are required to report a right-to-use lease asset and lease liability for non-intragovernmental, non-short-term contracts or agreements, when the entity has the right to obtain and control access to economic benefits or services from an underlying property, plant, or equipment asset for a period of time in exchange for consideration under the terms of the contract or agreement.

Budgetary Basis of Accounting

The purpose of Federal budgetary accounting is to control, monitor, and report on funds made available to Federal agencies by law and help ensure compliance with the law. Budgetary accounting measures appropriation and consumption of budget/spending authority and facilitates compliance with legal

APPRAISAL SUBCOMMITTEE

Notes to the Financial Statements
September 30, 2024 and 2023

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.

Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

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, 2024 and 2023, management is of the opinion that an allowance for doubtful accounts is not necessary.

Property and Equipment, Net

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.

Revenue

APPRAISAL SUBCOMMITTEE

Notes to the Financial Statements
September 30, 2024 and 2023

The ASC revenue is generated by fees collected from the National Registry of Appraisers and appraisal management companies (AMCs). The annual Appraiser Registry fee is paid by licensed and certified appraisers to be listed on the Appraiser Registry as eligible to perform appraisals for federally related transactions. Annual AMC Registry fees are paid by AMCs consistent with the ASC rule on collection and transmission of AMC Registry fees. The fee is based on the number of appraisers who performed an appraisal for a covered transaction during a defined annual period.

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***

	2024	2023
Status of Fund Balance with Treasury		
Unobligated Balance - Unrestricted		
(a) Available	$ 27,748,043	$ 25,587,509
(b) Unavailable	-	-
Unobligated Balance - Restricted		
(a) Available	5,562,665	4,521,800
(b) Unavailable	-	-
Obligated Balance not yet Disbursed	933,218	647,113
Non-Budgetary FBWT	-	-
Total	$ 34,243,926	$ 30,756,422

APPRAISAL SUBCOMMITTEE

Notes to the Financial Statements
September 30, 2024 and 2023

Note 3 ***Accounts Receivable***

	2024	2023
Fees		
Appraisal Management Company Registry (AMC)	$ 1,703,715	$ 1,365,525
National Registry (NR)	1,299,982	977,316
Total	$ 3,003,697	$ 2,342,841

Note 4 ***Property and Equipment, Net***

Property and equipment, net at September 30, consist of the following:

	2024	2023
Property and equipment not depreciated:		
Internal Use Software in Development	$ 617,031	$ 617,031
Property and equipment depreciated:		
Computer equipment	531,692	508,892
Internal Use Software	1,032,729	1,032,729
Total property and equipment	2,181,452	2,158,652
Less: Accumulated Depreciation	1,092,602	746,814
Net Property and Equipment	$ 1,088,850	$ 1,411,837

Note 5 ***Liabilities Not Covered by Budgetary Resources***

	2024	2023
Total liabilities not covered by budgetary resources	$ 269,205	$ 264,123

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.

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APPRAISAL SUBCOMMITTEE

Notes to the Financial Statements
September 30, 2024 and 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 2024 and 2023 for the Civil Service Retirement System and the Federal Employees' Retirement System plans aggregated approximately $523,000 and $474,000, 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 ***Other Liabilities***

Other intragovernmental liabilities consist of Employee Contributions and Payroll Taxes Payable in the amounts shown below.

	2024		
	Non-Current	Current	Total
Intragovernmental			
Employer contributions and payroll taxes	$ -	$ 19,056	$ 19,056
Other than Intragovernmental			
Other liabilities with budgetary resources (grants payable)	-	2,013,031	2,013,031
Total Other Liabilities	$ -	$ 2,032,087	$ 2,032,087

	2023		
	Non-Current	Current	Total
Intragovernmental			
Employer contributions and payroll taxes	$ -	$ 55,875	$ 55,875
Other than Intragovernmental			
Other liabilities with budgetary resources (grants payable)	-	2,879	2,879
Total Other Liabilities	$ -	$ 58,754	$ 58,754

APPRAISAL SUBCOMMITTEE

Notes to the Financial Statements
September 30, 2024 and 2023

Note 9 ***Leases***

ASC's operating lease expense for the fiscal year ended September 30, 2024, was $5,086.56 and will remain in effect through 07/31/2025 with terms of an adjustment of 3% beginning 08/01/2025.

Note 10 ***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. These interagency costs for FY 2024 were $1,712,984.77.

FY 2024 $282,892.31 - OPM Costs - from GSA statements
FY 2024 $1,712,984.77 - Total intragovermental costs - from GSA statements
FY 2023 $150,000 - from B&C's FY 2023 audit report.

Note 11 ***Reconciliation of Net Cost of Operations to Budget***

	2024	2023
Net Cost	$ 6,069,932	$ 5,695,555
Components of Net Cost that are not part of Net Outlays:		
Property and equipment depreciation	(399,358)	(236,645)
Change in budgetary resources obligated for goods, services, and benefits ordered but not yet provided	(1,427,136)	(493,593)
(Increase) / Decrease in Liabilities		
Accounts payable	76,943	277,672
Grants payable	2,010,152	494,109
Salaries and benefits	18,232	3,359
Components of Net Outlays that are not part of Net Cost:		
Acquisition of capital assets	22,800	329,475
Net Outlays - Budgetary	$ 6,371,565	$ 6,069,932

APPRAISAL SUBCOMMITTEE

Notes to the Financial Statements
September 30, 2024 and 2023

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 2024 and 2023, 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.

Note 12 ***Undelivered Orders at September 30***

At September 30, 2024 and 2023, budgetary resources obligated for undelivered orders were as follows:

	2024		
	Federal	NonFederal	Total
Unpaid Undelivered Orders	$ 123,161	$ 590,717	$ 713,878
Paid Undelivered Orders	971,185	-	971,185
Total Undelivered Orders	$ 1,094,346	$ 590,717	$ 1,685,063

	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

Note 13 ***Explanation of Differences Between the SBR and the Budget of the U.S. Government***

SFFAS No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the Statement of Budgetary Resources (SBR) to the related actual balances published in the Budget of the United States Government (Budget).

The Fiscal Year 2025 Budget of the United States Government, with the "Actual" column completed for 2023, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

APPRAISAL SUBCOMMITTEE

Notes to the Financial Statements
September 30, 2024 and 2023

Balances reported in the FY 2024 SBR and the related FY 2025 President's Budget reflected the following:

2023	Budgtary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Statement of Budgetary Resources	$ 28,740,971	$ 6,303,132	$ -	$ 6,069,931
Difference 2 - Rounding (+ / -)	259,029	696,872	-	930,068.78
Budget of the U.S. Government	$ 29,000,000	$ 7,000,004	$ -	$ 7,000,000

Note 14 ***Legal Compliance – Antideficiency Act (ADA) Violation***

In a Decision dated August 28, 2024, the U.S. Government Accountability Office (GAO) determined that the Appraisal Subcommittee (ASC) violated the purpose statute, 31 U.S.C. § 1301(a), and the Antideficiency Act, 31 U.S.C. § 1341 when it awarded a cooperative agreement to a nonprofit entity.

The GAO determined that the ASC had no authority to award a grant for the purpose of developing and creating training to be provided to its regulated entities. The GAO also found that the ASC's appropriation was available to obtain the development of a census survey and a review of appraisal standards and appraiser qualification criteria. An agency violates the Antideficiency Act if it incurs an obligation in excess of legally available amounts. No amount is available for an unauthorized purpose.

The ASC does not agree that a violation has occurred, and its report to the President, the Congress, and the Comptroller General, as directed by OMB Circular A-11 § 145.8. and that was coordinated and approved by the Office of Management and Budget (OMB), explained ASC's position. ASC states that it did not violate the purpose statute when it entered into the cooperative agreement because 12 U.S.C. § 3338(b) permits the ASC to make grants to support its activities. The ASC maintains that training for States (regulated entities) is included in the broad authority of 12 U.S.C. § 3338(b). The ASC believes its permanent appropriation permits the agency to use fee collections to support its activities. The cooperative agreement aimed to support ASC's activities. Additionally, ASC states that the choice in funding instrument does not alone violate the Antideficiency Act.

The ASC has terminated the cooperative agreement with the nonprofit agency.

Note 15 ***Reclassification of Account***

During the current fiscal period, Unearned Revenue and Restricted Funds Held for Others have been reclassified from Intragovernmental Liabilities to Other than Intragovernmental Liabilities. This change was made to better reflect the nature and purpose of the account in accordance with applicable accounting standards and financial reporting requirements. The reclassification does not impact the total financial position of the entity but enhances the clarity and accuracy of financial disclosures.

APPRAISAL SUBCOMMITTEE

Notes to the Financial Statements
September 30, 2024 and 2023

Note 16 ***Management's Acceptance of Financial Statements***

Subsequent Events

Management has evaluated subsequent events through May 16, 2025, 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, 2024, requiring disclosure in the financial statements.

2019-2020 AND 2023-2024 APPRAISER PROGRAM COMPLIANCE REVIEW FINDINGS*				
AREAS OF NON-COMPLIANCE	**2019**	**2020**	**2023**	**2024**
Requirement/ Guidance Areas	27 States Reviewed	12 States Reviewed	19 States Reviewed	25 States Reviewed
Statutes, Regulations, Policies and Procedures:	5	3	1	6
Temporary Practice:	5	1	6	9
National Registry:	0	2	4	11
Application Process:	7	2	4	19
Reciprocity:	0	0	0	1
Education:	1	0	1	8
Enforcement:	0	1	4	13
STATE COMPLIANCE STATUS	**2019**	**2020**	**2023**	**2024**
Requirement/ Guidance Areas	27 States Reviewed	12 States Reviewed	19 States Reviewed	25 States Reviewed
Excellent	11	2	7	5
Good	12	6	12	13
Needs Improvement	4	3	0	4
Not Satisfactory	0	1	0	3
Poor	0	0	0	0

The table above documents 2019-2020 and 2023-2024 Compliance Review Findings by requirement and areas of guidance.
*Due to the pandemic, there were no State Compliance Reviews performed in 2021 and 2022.

2019-2020 AND 2023-2024 APPRAISAL MANAGEMENT COMPANY PROGRAM COMPLIANCE REVIEW FINDINGS*				
AREAS OF NON-COMPLIANCE	**2019**	**2020**	**2023**	**2024**
Requirement/ Guidance Areas	14 States Reviewed	9 States Reviewed	19 States Reviewed	22 States Reviewed
Statutes, Regulations, Policies and Procedures:	8	2	18	22
National Registry:	0	0	15	23
Enforcement:	0	0	0	0
STATE COMPLIANCE STATUS	**2019**	**2020**	**2023**	**2024**
Requirement/ Guidance Areas	14 States Reviewed	9 States Reviewed	19 States Reviewed	22 States Reviewed
Excellent	6	6	2	3
Good	8	2	17	17
Needs Improvement	0	1	0	1
Not Satisfactory	0	0	0	1
Poor	0	0	0	0

The table above documents 2019-2020 and 2023-2024 Compliance Review Findings by requirement and areas of guidance.
*Due to the pandemic, there were no State Compliance Reviews performed in 2021 and 2022.

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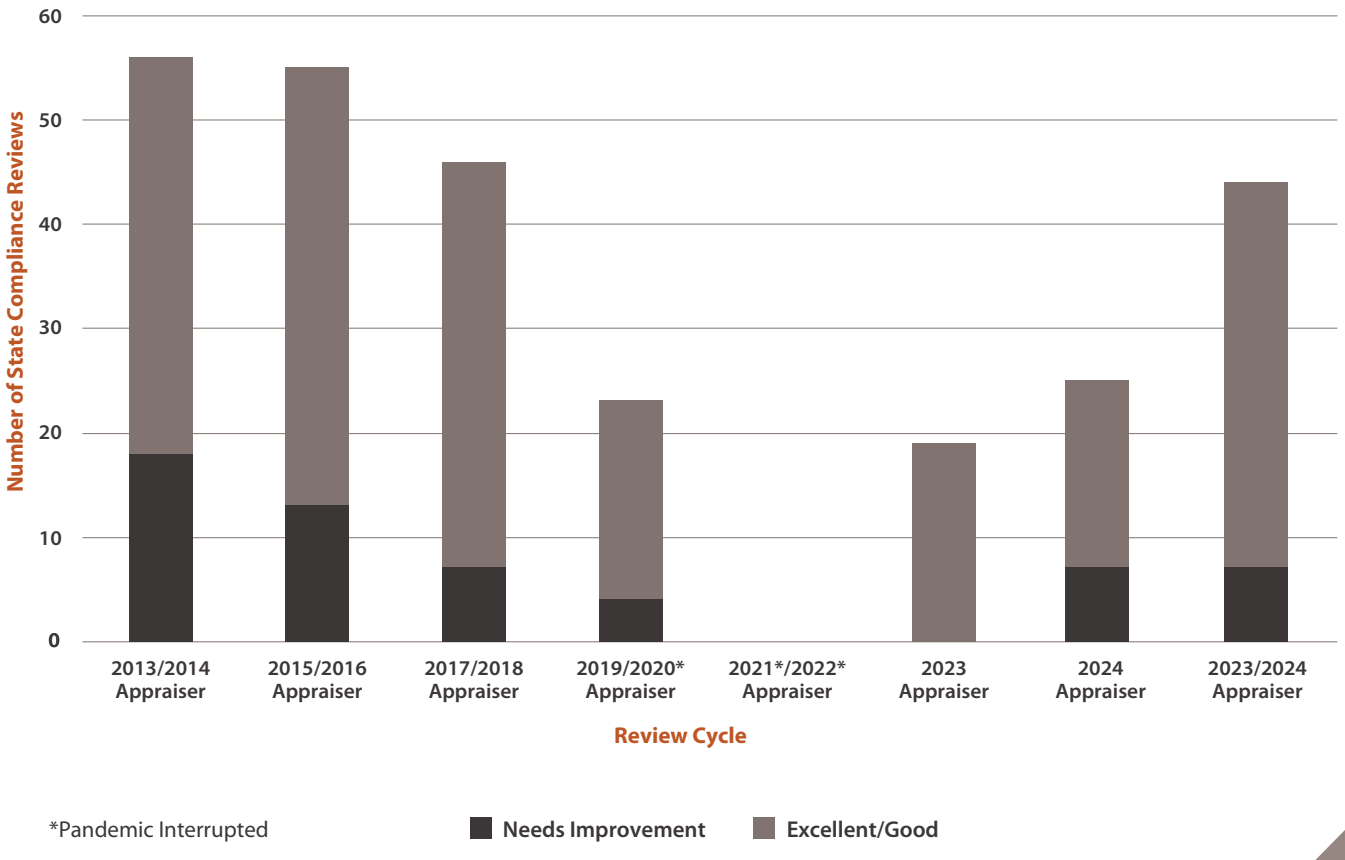
2024 APPRAISER PROGRAM COMPLIANCE REVIEW SUMMARY			
STATE APPRAISER PROGRAM	**MONTH OF REVIEW**	**ASC FINDING**	**REVIEW CYCLE**
Alaska	July 2024	Good	Two-Year
California	November 2023	Good	Two-Year
Colorado	September 2023	Excellent	Two-Year
Guam	May 2024	Needs Improvement	Two-Year
Hawaii	August 2024	Good	Two-Year
Idaho	June 2024	Needs Improvement	Two-Year
Illinois	October 2023	Good	Two-Year
Indiana	April 2023	Not Satisfactory	One-Year
Iowa	July 2024	Excellent	Two-Year
Kentucky	January 2024	Good	Two-Year
Louisiana	September 2023	Good	Two-Year
Maine	June 2024	Good	Two-Year
Maryland	February 2024	Needs Improvement	Two-Year
Massachusetts	May 2023	Good	Two-Year
Michigan	July 2023	Good	Two-Year
Montana	March 2024	Excellent	Two-Year
Nevada	June 2023	Needs Improvement	Two-Year
New Mexico	December 2023	Good	Two-Year
North Carolina	October 2023	Excellent	Two-Year
South Carolina	August 2023	Good	Two-Year
South Dakota	September 2023	Not Satisfactory	One-Year
Texas	April 2024	Excellent	Two-Year
Virgin Islands	May 2024	Not Satisfactory	One-Year
West Virginia	November 2023	Good	Two-Year
Wisconsin	March 2024	Good	Two-Year

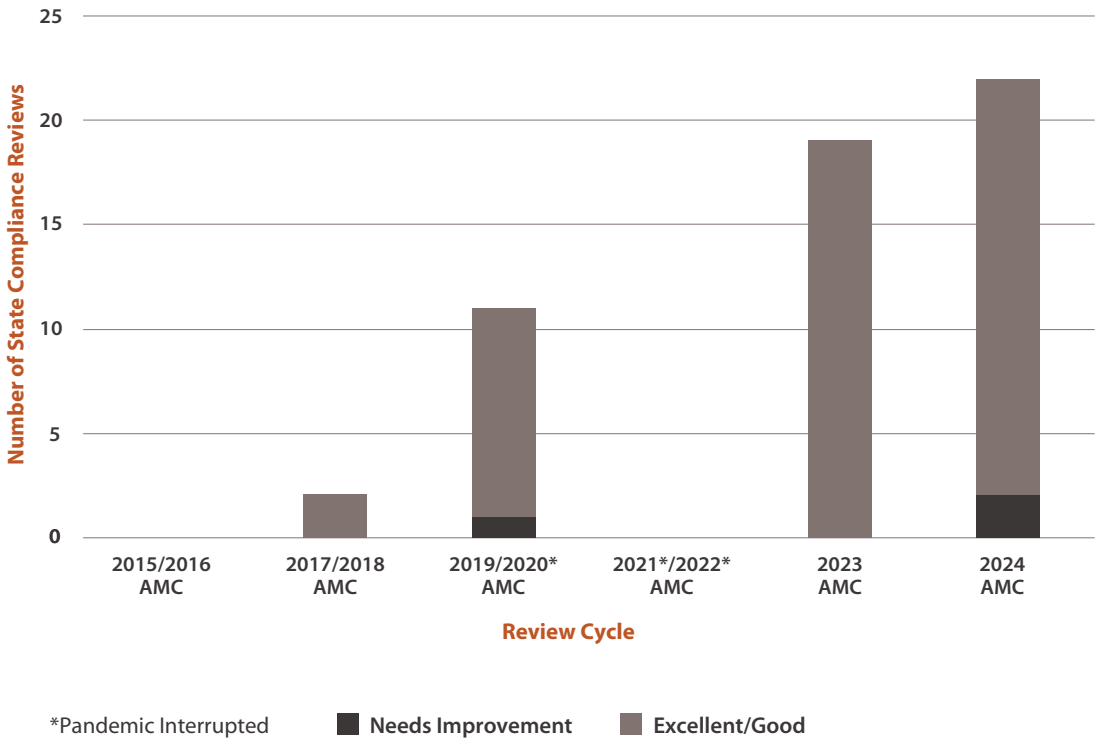
2024 AMC PROGRAM COMPLIANCE REVIEW SUMMARY			
STATE APPRAISER PROGRAM	**MONTH OF REVIEW**	**ASC FINDING**	**REVIEW CYCLE**
Alaska	July 2024	Good	Two-Year
California	November 2023	Good	Two-Year
Colorado	September 2023	Excellent	Two-Year
Idaho	June 2024	Needs Improvement	Two-Year
Illinois	October 2023	Good	Two-Year
Indiana	April 2023	Not Satisfactory	One-Year
Iowa	July 2024	Excellent	Two-Year
Kentucky	January 2024	Good	Two-Year
Louisiana	September 2023	Good	Two-Year
Maine	June 2024	Good	Two-Year
Maryland	February 2024	Good	Two-Year
Massachusetts	May 2023	Good	Two-Year
Michigan	July 2023	Good	Two-Year
Montana	March 2024	Good	Two-Year
Nevada	June 2023	Good	Two-Year
New Mexico	December 2023	Good	Two-Year
North Carolina	October 2023	Good	Two-Year
South Carolina	August 2023	Good	Two-Year
South Dakota	September 2023	Good	Two-Year
Texas	April 2024	Excellent	Two-Year
West Virginia	November 2023	Good	Two-Year
Wisconsin	March 2024	Good	Two-Year

ASC FINDINGS BY REVIEW CYCLE								
REVIEW CYCLE	2013/2014 APPRAISER	2015/2016 APPRAISER	2017/2018 APPRAISER	2019/2020* APPRAISER	2021*/2022* APPRAISER	2023 APPRAISER	2024 APPRAISER	2023/2024 APPRAISER
Number of Reviews	56	55	46	27	0	19	25	44
In Substantial Compliance, Excellent or Good	38	42	39	19	N/A	19	18	37
Not in Substantial Compliance, Needs Improvement, or Not Satisfactory	18	13	7	4	N/A	0	7	7
Not in Compliance or Poor	0	0	0	0	N/A	0	0	0
% In Substantial Compliance, Excellent or Good	68%	76%	85%	70%	N/A	100%	72%	84%



*Pandemic Interrupted

ASC FINDINGS BY REVIEW CYCLE						
REVIEW CYCLE	**2015/2016 AMC**	**2017/2018 AMC**	**2019/2020* AMC**	**2021*/2022* AMC**	**2023 AMC**	**2024 AMC**
Number of Reviews	0	2	12	0	19	22
In Substantial Compliance, Excellent or Good	0	2	10	0	19	20
Not in Substantial Compliance, Needs Improvement, or Not Satisfactory	0	0	1	0	0	2
Not in Compliance or Poor	0	0	0	0	0	0
% In Substantial Compliance, Excellent or Good		100%	83%		100%	91%



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

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
2024	39,935	44,538	6,563	0	91,036

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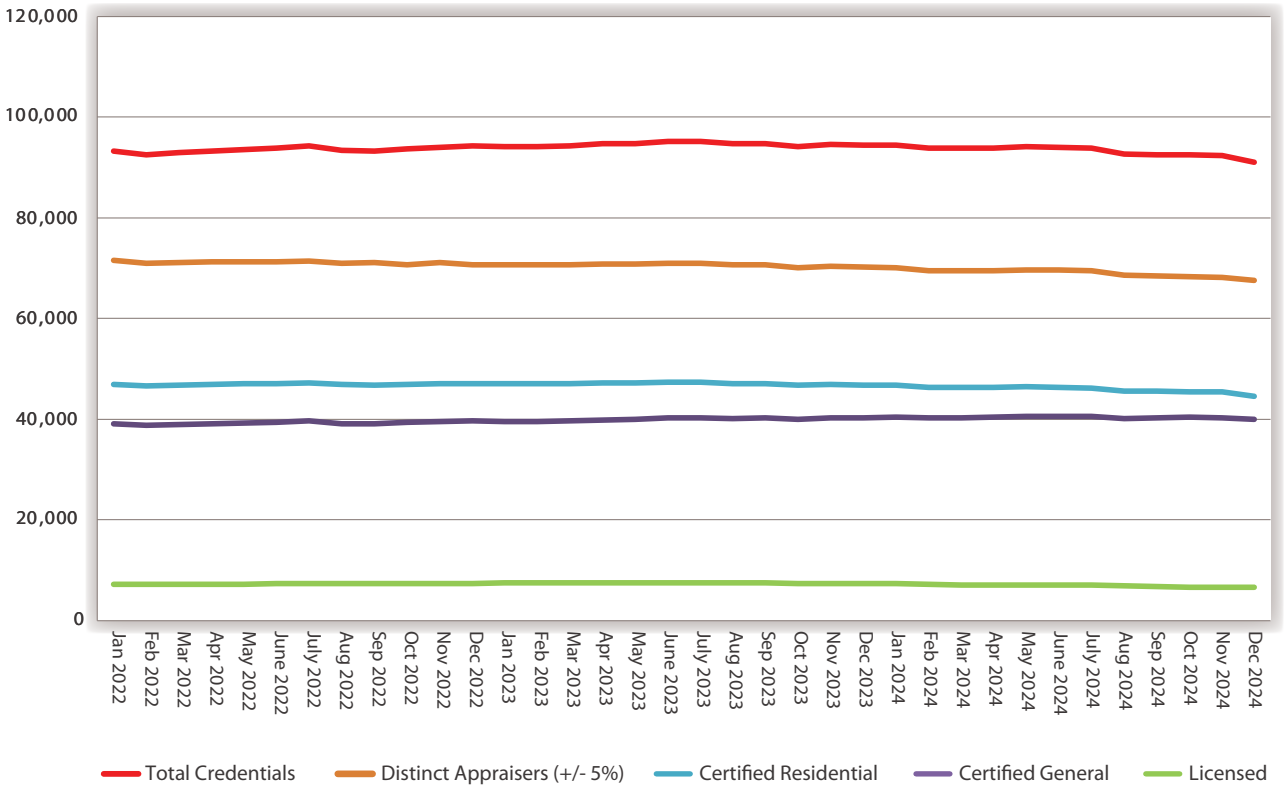
MONTHLY APPRAISER CREDENTIAL TRENDS *AS OF DECEMBER 31, 2024

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

MONTHLY APPRAISER CREDENTIAL TRENDS *AS OF DECEMBER 31, 2024

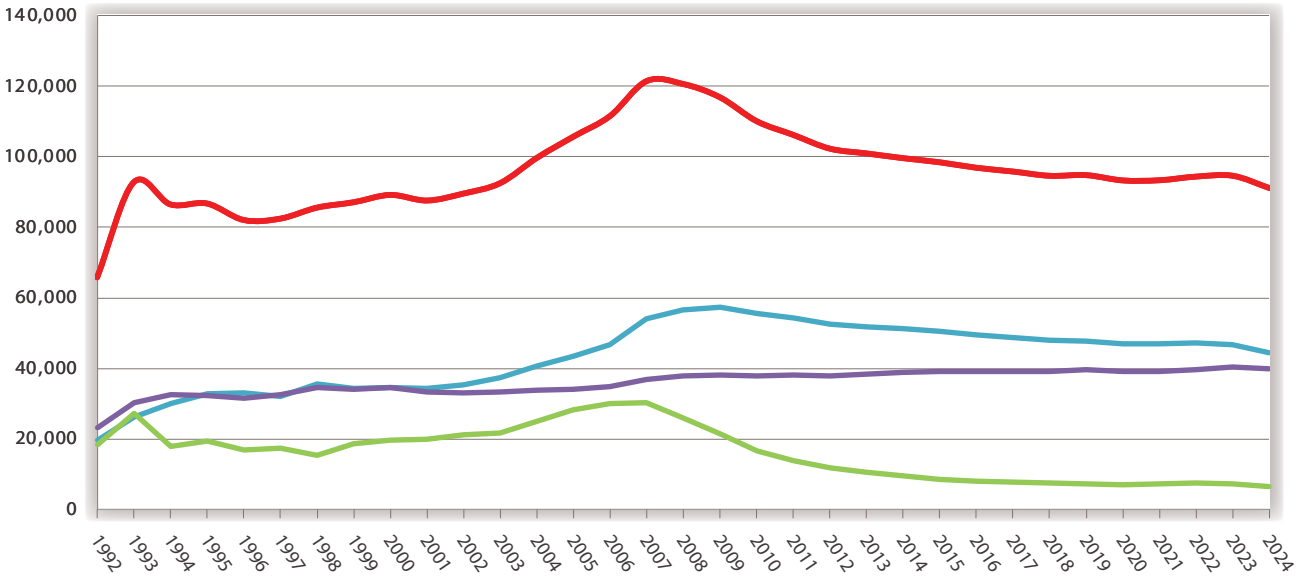
DATE	CERTIFIED GENERAL	CERTIFIED RESIDENTIAL	LICENSED	TRANSITIONAL	TOTAL CREDENTIALS	DISTINCT APPRAISERS (+/- 5%)
July 2023	40,285	47,392	7,541	0	95,218	70,958
Aug 2023	40,107	47,111	7,509	0	94,727	70,667
Sep 2023	40,225	47,096	7,457	0	94,778	70,667
Oct 2023	39,991	46,725	7,382	0	94,098	70,081
Nov 2023	40,332	46,907	7,427	0	94,666	70,376
Dec 2023	40,349	46,834	7,339	0	94,522	70,298
Jan 2024	40,417	46,760	7,312	0	94,489	70,141
Feb 2024	40,233	46,373	7,188	0	93,794	69,573
Mar 2024	40,306	46,346	7,143	0	93,795	69,519
Apr 2024	40,442	46,370	7,121	0	93,933	69,572
May 2024	40,607	46,421	7,104	0	94,132	69,664
June 2024	40,650	46,342	7,078	0	94,070	69,592
July 2024	40,609	46,231	7,053	0	93,893	69,460
Aug 2024	40,147	45,636	6,858	0	92,641	68,587
Sept 2024	40,254	45,573	6,755	0	92,582	68,466
Oct 2024	40,368	45,450	6,694	0	92,512	68,285
Nov 2024	40,323	45,388	6,665	0	92,376	68,209
Dec 2024	39,935	44,538	6,563	0	91,036	67,550

Monthly Appraiser Credential Trends



Yearly Appraisers Credential Trends

As of December 31, 2024



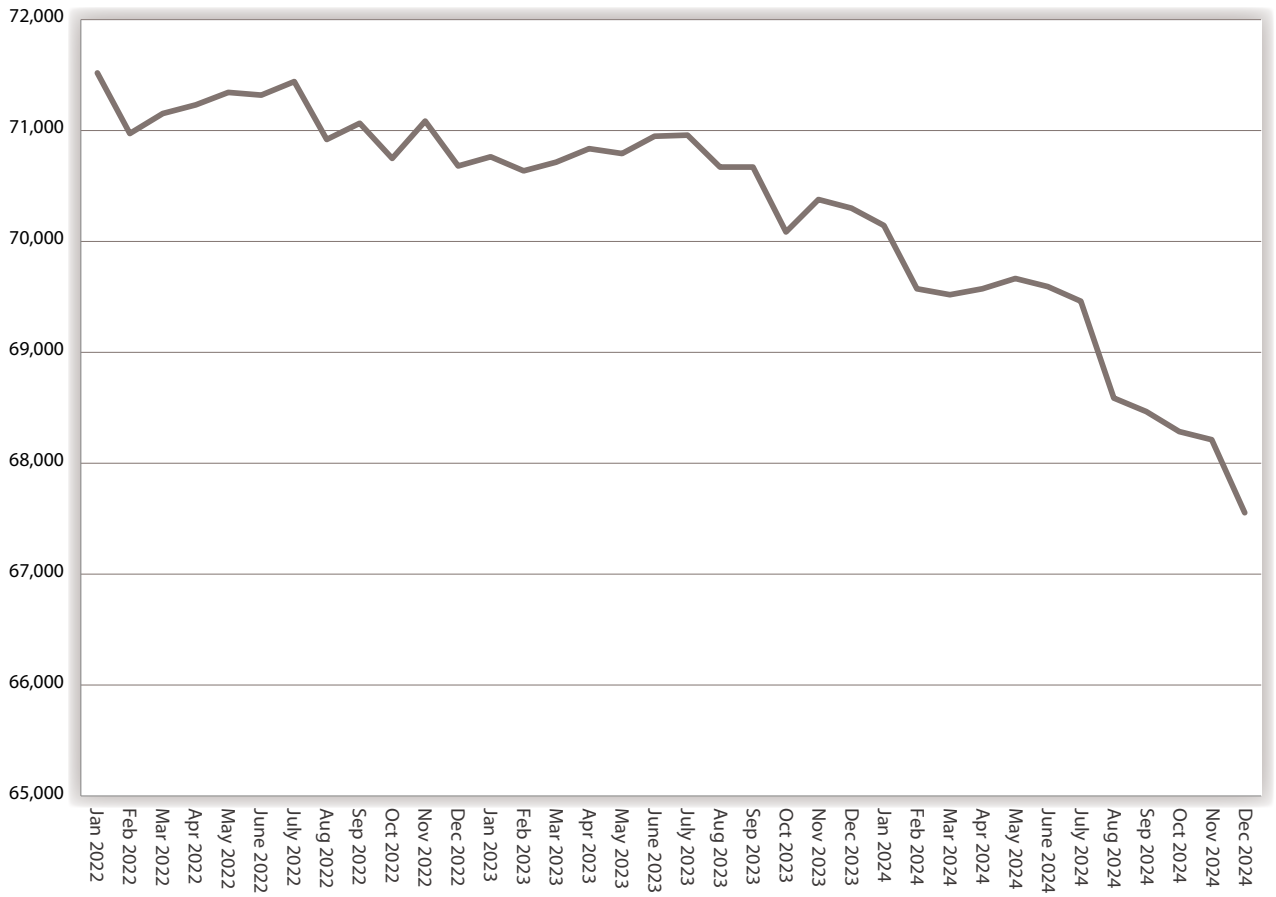
STATE OR TERRITORY	NUMBER OF DISTINCT ACTIVE APPRAISERS NOVEMBER 26, 2024 (+/- 5%)
Alabama	1352
Alaska	259
Arizona	2165
Arkansas	911
California	7631
Colorado	2736
Connecticut	1185
Delaware	539
District Of Columbia	741
Florida	5523
Georgia	3045
Guam	22
Hawaii	493
Idaho	833
Illinois	3125
Indiana	1997
Iowa	1164
Kansas	1063
Kentucky	1336
Louisiana	1338
Maine	611
Maryland	2119
Massachusetts	1857
Michigan	2430

Q.81

STATE OR TERRITORY	NUMBER OF DISTINCT ACTIVE APPRAISERS NOVEMBER 26, 2024 (+/- 5%)
Minnesota	1710
Mississippi	997
Missouri	1874
Montana	483
Nebraska	686
Nevada	964
New Hampshire	669
New Jersey	2425
New Mexico	610
New York	3324
North Carolina	3090
North Dakota	322
Northern Mariana Islands	4
Ohio	2694
Oklahoma	1143
Oregon	1350
Pennsylvania	3068
Puerto Rico	268
Rhode Island	449
South Carolina	2185
South Dakota	412
Tennessee	2148
Texas	5783
Utah	1284

STATE OR TERRITORY	NUMBER OF DISTINCT ACTIVE APPRAISERS NOVEMBER 26, 2024 (+/- 5%)
Vermont	242
Virgin Islands	24
Virginia	3069
Washington	2504
West Virginia	590
Wisconsin	1770
Wyoming	357
All States and Territories	68209

DISTINCT APPRAISERS



Q.83

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.

Appraiser Disciplinary Action Reported by States

January 1, 2015 - December 31, 2024

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	22	0	0	62	10	34	0	1	1	0	3	16	149
Alaska	3	0	0	7	0	9	1	1	0	0	0	2	23
Arizona	40	0	0	11	0	0	13	4	7	0	6	2	83
Arkansas	20	0	2	23	0	2	17	0	3	0	5	0	72
California	517	0	40	429	1	5	105	24	98	0	43	0	1262
Colorado	35	2	0	44	6	16	4	15	13	0	14	61	210
Connecticut	1	0	0	105	0	0	1	1	4	0	1	2	115
Delaware	17	0	0	30	45	2	7	0	3	0	0	0	104
District Of Columbia	11	0	0	5	5	0	0	2	3	0	0	0	26
Florida	124	0	0	147	1	53	99	43	15	0	0	0	482
Georgia	0	0	0	0	9	170	0	13	6	0	0	0	198
Guam	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	3	0	0	10	0	0	0	0	1	0	0	0	14
Idaho	18	0	0	40	0	35	16	1	2	0	0	1	113
Illinois	22	0	1	145	22	4	10	14	85	0	8	11	322
Indiana	0	0	0	2	3	0	22	0	6	0	1	1	35
Iowa	21	0	2	3	3	6	1	2	4	0	16	36	94
Kansas	16	2	0	10	0	0	1	1	0	0	3	0	33
Kentucky	32	0	0	24	2	7	0	3	10	0	1	0	79
Louisiana	15	0	0	24	22	0	1	0	0	0	0	0	62
Maine	35	0	0	44	21	2	9	2	8	0	7	23	151
Maryland	18	0	0	80	10	0	0	0	14	0	5	0	127
Massachusetts	85	0	0	92	21	0	57	11	9	0	9	0	284
Michigan	5	0	0	108	6	45	59	5	15	0	2	0	245
Minnesota	54	0	0	100	0	38	2	4	16	0	2	58	274
Mississippi	20	0	0	1	0	4	2	0	4	0	2	2	35
Missouri	0	0	0	0	0	9	24	8	10	0	3	0	54

Appraiser Disciplinary Action Reported by States

January 1, 2015 - December 31, 2024

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	8	0	0	7	1	1	2	2	2	0	1	0	24
Nebraska	4	1	0	2	0	1	2	0	2	0	2	3	17
Nevada	87	0	0	34	0	0	0	8	7	0	3	11	150
New Hampshire	1	0	0	1	1	0	0	5	1	0	0	0	9
New Jersey	27	0	0	73	9	1	5	2	13	0	4	0	134
New Mexico	0	0	0	1	0	0	0	4	2	0	1	22	30
New York	150	0	0	202	12	0	0	13	15	0	2	7	401
North Carolina	85	0	0	0	50	4	6	2	30	0	7	6	190
North Dakota	8	0	0	11	0	3	1	1	1	0	2	1	28
Ohio	74	0	0	72	4	0	0	3	35	0	0	0	188
Oklahoma	117	1	5	190	2	138	59	10	174	0	10	9	715
Oregon	63	0	0	81	3	2	1	4	9	0	14	9	186
Pennsylvania	59	0	0	80	8	2	14	7	12	0	9	4	195
Puerto Rico	0	0	0	0	0	0	0	1	0	0	0	0	1
Rhode Island	1	0	0	1	3	0	1	0	1	0	0	0	7
South Carolina	40	0	0	39	41	1	4	1	6	0	15	0	147
South Dakota	11	0	2	15	6	1	0	0	3	0	2	2	42
Tennessee	64	0	0	46	0	2	0	2	15	0	3	45	177
Texas	147	0	5	112	4	99	45	13	50	0	31	18	524
Utah	24	3	0	27	0	1	5	2	1	0	3	1	67
Vermont	0	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	46	0	0	81	0	2	13	11	10	0	1	83	247
Washington	23	0	0	29	0	0	23	8	9	0	1	0	93
West Virginia	3	0	0	1	4	4	0	2	5	0	1	1	21
Wisconsin	82	0	29	0	104	2	0	2	42	0	25	0	286
Wyoming	3	0	0	5	0	0	1	0	0	0	1	0	10
Total	2261	9	86	2656	439	705	633	258	782	0	269	437	8535

AMC Disciplinary Action Report by States

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	0	0	0	0	0	0	0	0	0	0	0	0	0
Alaska	0	0	0	0	0	0	0	0	0	0	0	0	0
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0
California	0	0	0	0	0	0	0	0	0	0	1	0	1
Connecticut	0	0	0	0	0	0	0	0	0	0	1	0	1
Delaware	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	0	0	46	0	0	0	0	7	0	0	0	53
Georgia	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0
Illinois	0	0	0	0	0	0	0	0	0	0	1	0	1
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0
Maine	0	0	0	1	0	0	0	0	1	0	0	1	3
Maryland	0	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	0	0	0	0	0	0	0	0	0	0	1	0	1
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0	0
Nebraska	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
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	0	0	0	0	0	0	0	0	0	0
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0	0

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AMC Disciplinary Action Report by States

STATE	ADDITIONAL EDUCATION	DOWNGRADE	LIMITED	MONETARY FINE	OFFICIAL REPRIMAND	OTHER	PROBATION	REVOCATION	SUSPENSION	TP ACTION	VOLUNTARY SURRENDER	WARNING, CORRECTIVE ACTION, AND ORDISCIPLINARY ACTION	TOTAL
Texas	0	0	0	1	0	0	0	0	0	0	0	1	2
Utah	0	0	0	2	0	0	0	0	0	0	0	0	2
Virginia	0	0	0	1	0	0	0	0	0	0	0	1	2
West Virginia	0	0	0	0	0	0	0	0	0	0	1	0	1
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	51	0	0	0	0	8	0	5	3	67

2024				
IN-BOUND SOURCE	**YTD 2024 TOTALS**	**REFERRAL TYPE**	**DESCRIPTION**	**YTD 2024 TOTALS**
Call Center Calls	645	Complainant	Appraiser	16
Call Center Referrals			AMC	1
Email Referral	30		Bank, savings and loan, thrift, credit union, or other financial institution	7
Website Hits/Visits	5329		Mortgage broker, lender, or loan originator	9
Federal Agency Referrals	0		Settlement services provider	5
State Agency Referrals	298			123
MEMBER AGENCY REFERRALS			Consumer*	93
AGENCY	**2024 TOTALS**		Real Estate Agent	0
FRS	0		Attorney	0
OCC	0		Insurance Agent	0
FDIC	0		Federal Entity	1
NCUA	0		Blank/Undefined	29
CFPB	0	Complaint	USPAP	73
FTC	0		Appraisal Independence	41

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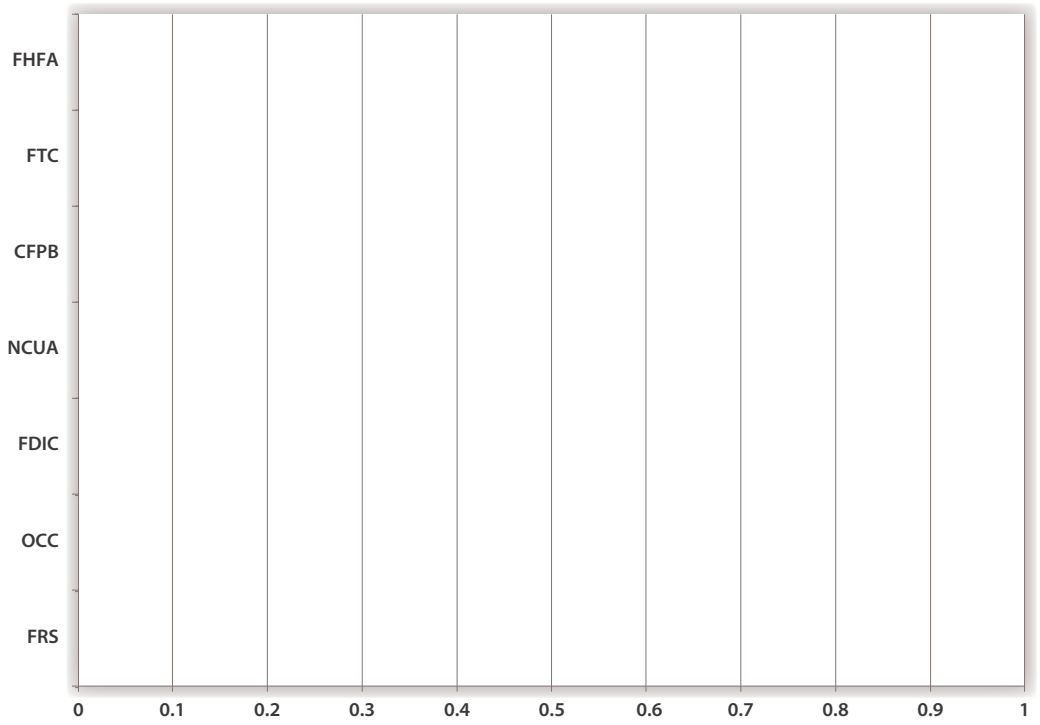
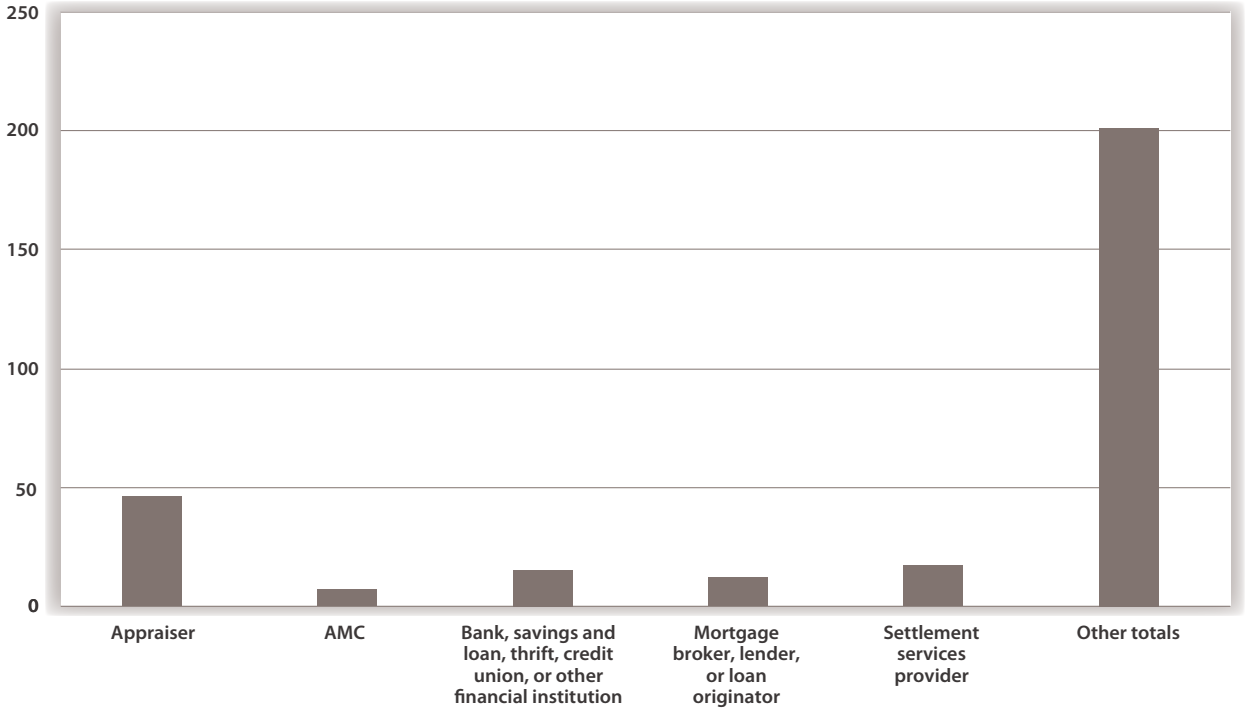
2024				
IN-BOUND SOURCE	**YTD 2024 TOTALS**	**REFERRAL TYPE**	**DESCRIPTION**	**YTD 2024 TOTALS**
FHFA	0	Complaint Against	Appraiser	34
*Consumer consists of the following self-identified categories: Property Owner, Homeowner, Buyer, Borrower, Seller and Loan Applicant.			AMC	12
			Bank, savings and loan, thrift, credit union, or other financial institution	5
			Mortgage broker, lender, or loan originator	7
			Settlement services provider	11
			Other	4
		Property Type	1-4 Unit Residential	259
			Commercial	24
			No Property	15
		Federal Loan Type	FHA	61
			VA	25
			USDA	7
			None	205

Federal Agency Referrals
2024



Complainant Type
2024



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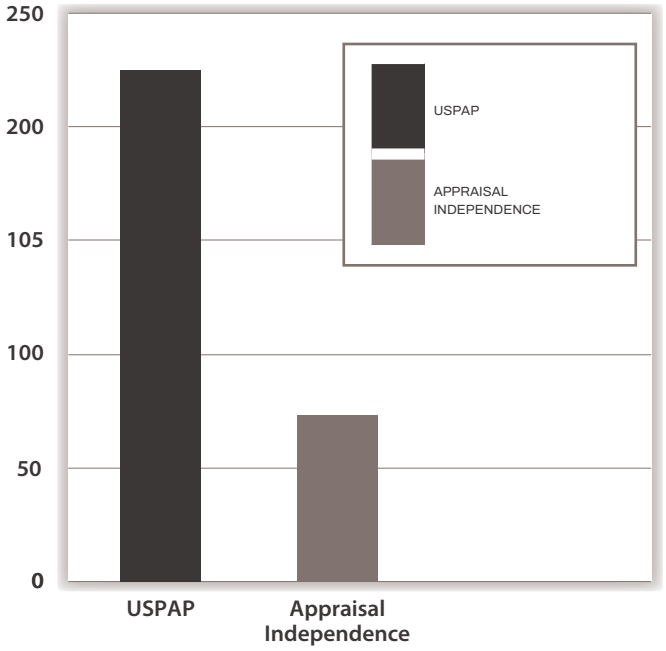
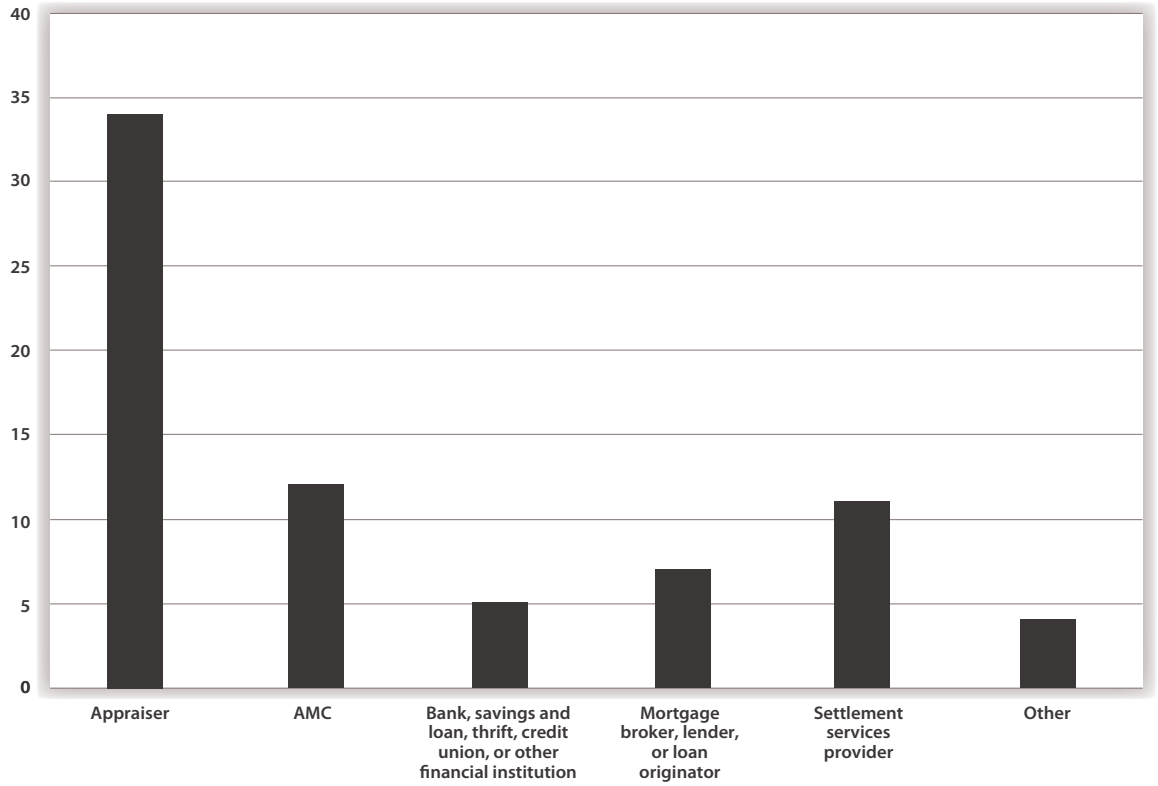
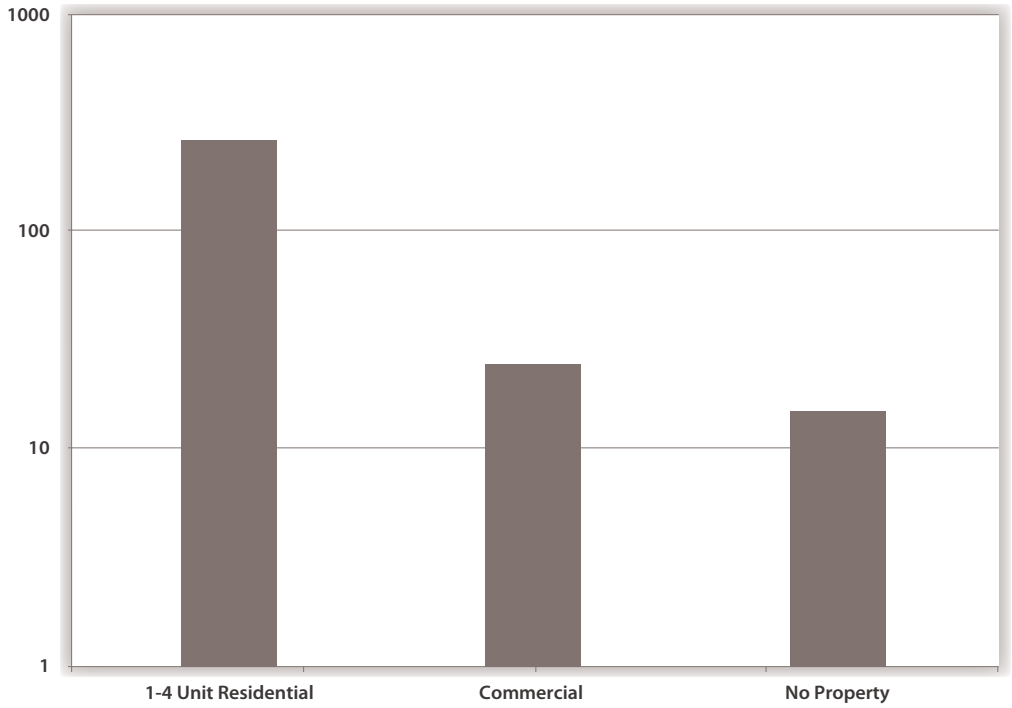
Complaint Type
2024



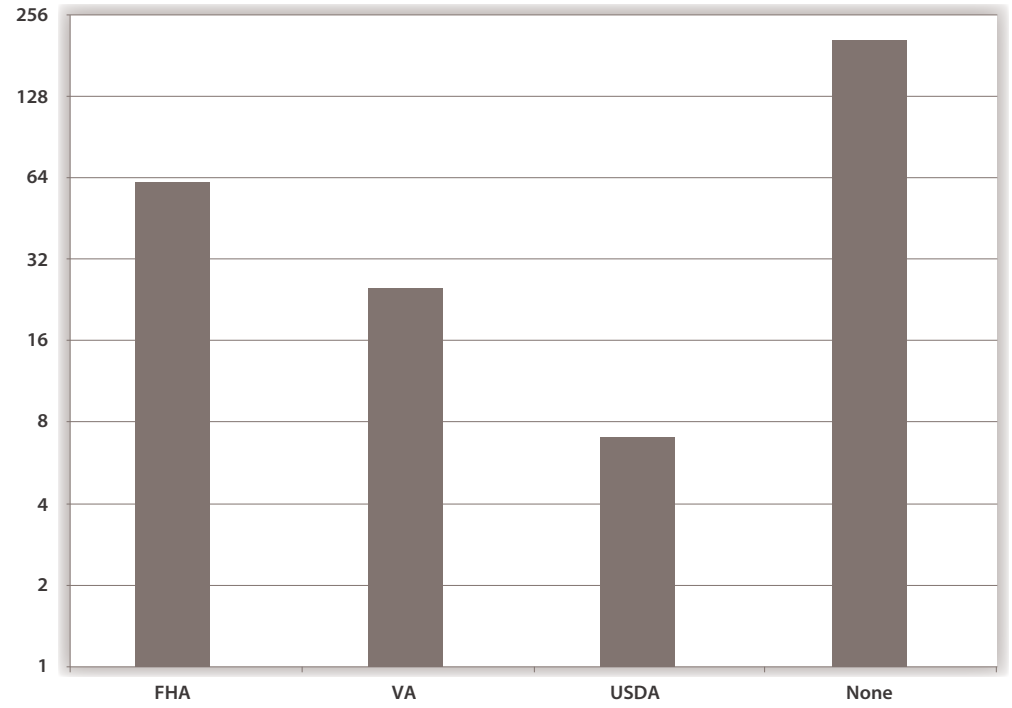
Complaint Against
2024



Property Type
YTD 2024



Federal Loan Type
YTD 2024



COMPLAINANT	AGENCY					
	FDIC	FRB	NCUA	OCC	CFPB	TOTAL
Appraiser	1	0	1	5	9	16
Appraisal Management Company	0	0	1	1	0	2
Business Property Owner	2	0	1	0	0	3
Financial Institution Lender	0	0	0	0	2	2
Individual Property Owner	17	1	12	14	166	0
Mortgage Broker	0	0	0	0	1	0
Non-Financial Institution Lender	0	0	0	0	0	0
Other	0	0	2	0	15	0
COMPLAINT AGAINST	**FDIC**	**FRB**	**NCUA**	**OCC**	**CFPB**	**TOTAL**
Appraiser	9	1	5	5	55	75
Appraisal Management Company	2	0	0	0	17	19
Lender	15	0	14	13	107	149
Other	2	0	3	2	14	0
COMPLAINT TYPE	**FDIC**	**FRB**	**NCUA**	**OCC**	**CFPB**	**TOTAL**
Non-Compliance with USPAP	8	1	3	2	115	0
Appraisal Independence	4	0	1	0	34	0
Other	8	0	14	18	44	84

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 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—

(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

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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;

(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

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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 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 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.

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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

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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.

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[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."

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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]

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[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.

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 agency[27] 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);

[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."

b. limit an appraiser to one temporary practice 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]

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[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.

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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.

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[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.)

C. Access to Appraiser Registry Data

The ASC website provides free access to the public 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. States must reconcile and pay invoices in 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

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[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.

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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.[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.

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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.

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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.

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

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[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.*

such action in order for the appraiser's 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]

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[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.*

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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

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[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.

credential. State A 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]

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[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.

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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]

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[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.

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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]

[90] Title XI § 1118 (a), 12 U.S.C. § 3347.

[91] *Id.*

[92] *Id.*

[93] *Id.*

[94] *Id.*

[95] *Id.*

7. 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.[96]

[96] *Id.*

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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.

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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]

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[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.*

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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.

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[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."

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E. Summary of Requirements

1. States must reconcile and pay registry invoices in a timely manner (45 calendar days 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]

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[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."

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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.*

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.

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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 State agency of the Notice as published in 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.

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]

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[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*.

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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.

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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 • State maintains a strong regulatory Program • 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 • Deficiencies are minor in nature • State is adequately addressing deficiencies identified and correcting them in the normal course of business • State maintains an effective regulatory Program • Low risk of Program failure	Two-year
Needs Improvement	• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program • State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies • State regulatory Program needs improvement • Moderate risk of Program failure	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 • Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program • State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing • State regulatory Program has substantial deficiencies • Substantial risk of Program failure	One-year
Poor[135]	• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements • Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program • State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies • High risk of Program failure	Continuous monitoring

[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*.

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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

[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.

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home State is not required. Appraisers may have 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.

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Greetings!

The first half of this year has gone by in a flash. As I'm writing our July newsletter, I cannot believe all of the incredible progress that has been made across our boards, councils, and Foundation team in the last six months.

Today I want to highlight the launch of two new resources the Foundation has been involved in.

First off, I am so pleased to announce the release of Home Appraisal Help by Progressive Insurance. The Foundation team, along with the Subject Matter Experts we contracted with, provided the appraisal expertise as we worked with the Progressive team over the last eighteen months.

These resources are precisely the type of interactive consumer tools that will help the public better understand the appraisal process. We are looking forward to expanding their use throughout our networks. Be sure to **check out Home Appraisal Help here**.

Our team is also delighted to share our **new and improved website and webstore**. We hope you'll take some time this week to check it out. Be sure to check back throughout the rest of the year as we continue to add new content and tools to improve your experience!

These are just two examples of the types of innovative projects we plan to undertake to advance the appraisal profession and build public trust. If you have a bold impactful idea for where we can go next, we want to hear it! Reach out anytime.

Let's Make it a Great Month!
Kelly Davids
President

The annual report is here!

Our 2024 annual report is available now! This year's report is

In This Newsletter

From the President's Desk: Exciting new consumer resources and website!

The annual report is here!

Board and panel applications are open

Partner Spotlight

Appraiser Talk

Upcoming Events

September 4: ASB Public Meeting

September 17: CARE Meeting

September 18: IAC Meeting

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Follow Us

packed with insights about the work of our boards, state and international efforts, and much more. You can read it **here** or check out **our video summary**.

Board and panel applications are open

Summer is the best time to think about getting involved with The Appraisal Foundation. Both the ASB and AQB are currently accepting applications through July 31st, and our resource panels are accepting applications through September 1st.

Our boards and panels rely on a constant stream of new talent from across the profession to carry out their work to uphold public trust and advance standards of excellence. We need dedicated people like you with a heart for the profession to consider dedicating your time and skills to our work.

Check out the list below to access the application for the group you think best fits your skills and interests.

- **Appraisal Standards Board**
- **Appraiser Qualifications Board**
- **Business Valuation Resource Panel**
- **Personal Property Resource Panel**

Partner Spotlight

American Society of Appraisers
Explore highlighted American Society of Appraiser Personal Property courses this July and August 2025, including:

- PP201 Introduction to Personal Property Valuation
- PP202 Development of a Personal Property Appraisal: Research Analysis
- PP203 Communication of a Personal Property Appraisal: Research and Analysis
- P204 Personal Property Valuation: The Legal and Commercial Environments

Additionally, the 2024-2025 15-Hour and 7-Hour Personal Property USPAP Update Courses are available for Personal Property, Gems & Jewelry, and Machinery & Technical Specialties. Looking ahead, registration is open for the 2025 ASA International Conference on October 19-21 in San Juan, Puerto Rico!

Appraisal Institute
Don't miss the premiere of the Appraisal Institute's first two URAR "companion courses" at Valuation Expo on August 14th, 2025 - Supporting Adjustments and Reporting the Sales Comparison Approach in the New URAR (3 HR CE) and Reporting Market Analysis and Better Understanding the New URAR Report (4 HR CE). Register at https://www.valuationexpo.com/.

International Association of Assessing Officers
The 91st Annual IAAO Conference is set for Sept. 21-24, 2025,

in Orlando, Florida, with more than 50 educational sessions on appraising and appraisal topics. The early registration deadline is August 22, 2025, with more than 700 people registered to attend the conference.

Registration links and additional information are available at http://www.iaao.org/conference.

Appraiser Talk

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.

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The Appraisal Foundation
1155 15th Street NW STE 1111
Washington, DC 20005

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Good morning,

As the Appraiser Qualifications Board continues its full-scale reassessment of the Criteria, including education, experience, and the exam, this is a pivotal moment to hear directly from those of you who work with these requirements every day. That's why I want to take a moment to thank the regulators who participated in our recent one-on-one interviews conducted throughout May and June. Your insight is already shaping how the board is thinking about the path forward.

These weren't short check-ins or high-level surveys. Each interview lasted about an hour and was conducted with Foundation staff, a member of the AQB, and a regulatory writing expert from The Regulatory Group. We asked participants to walk us through exactly how the Criteria play out in real regulatory work: where they're clear, where they cause confusion, and how they affect day-to-day operations. Nearly a dozen regulators from across the country took part, and many came to the interviews well-prepared with specific examples, perspectives, and experiences to share.

As a result, we've gathered a significant body of detailed, practical feedback, and consistent themes have emerged that are already informing the board's discussions. The AQB currently anticipates releasing an exposure draft by the end of this year, pending the necessary reviews. The AQB chair will be providing an update at this fall's AARO conference, where you can hear more about the direction of the project and the role this input has played.

If you weren't able to participate but have something to share, an issue with how the Criteria function in practice, a process that's harder than it needs to be, or simply an observation from your day-to-day experience, we want to hear it. You don't have to wait for a public comment period. If it impacts your work, it matters to us.

Sincerely,

In This Newsletter

From Lisa's Desk: Getting involved with the Foundation

A Q&A Clarification

Appraiser Talk

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Lisa Desmarais
Vice President of Appraisal Issues

A Q&A Clarification

At the recent AARO conference, AQB Chair Jerry Yurick presented several sessions that included discussion of the Fair Housing and Valuation Bias course requirement. Following those presentations, we received a few questions that made us realize the terminology used in our slides—specifically the phrase "CE cycle"—was causing confusion.

To help clarify, we've **updated the presentation slide deck** to remove that term where it was referenced in connection with the valuation bias course requirement. If you attended AARO, the version you were provided has been edited. For those who were not in attendance—or if you'd like to review the corrected version—please see the updated document linked **here**.

Applications Open for Technical Boards

Applications are now open to join the Appraiser Qualifications Board and Appraisal Standards Board! We ask that you please share these with your networks and encourage those who are interested in upholding public trust by advancing standards and qualifications of excellence to apply.

Applications are due July 31st.

Click here to apply to the **ASB**.

Click here to apply to the **AQB**.

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The Appraisal Foundation Seeks Candidates for the Appraiser Qualifications Board and the Appraisal Standards Board

Application Deadline is July 31, 2025

The Appraisal Foundation is now accepting applications for its annual selection of new members to serve on the Appraiser Qualifications Board (AQB) and the Appraisal Standards Board (ASB). Individuals appointed through this process will begin their term on January 1, 2026. Each appointment may be for a one-, two-, or three-year term, depending on the needs of the board.

For this selection cycle, there are up to four open seats on the AQB and up to five open seats on the ASB that are eligible for appointment or reappointment.

"The ASB and AQB play a critical role in upholding public trust in the appraisal profession," said Kelly Davids, President of The Appraisal Foundation. "This is a unique opportunity for individuals committed to the profession's future to help shape its standards and qualifications at the highest level."

Background and Qualifications:

The **Appraiser Qualifications Board (AQB)** is responsible for establishing the minimum education, experience, and examination requirements for real estate appraisers to obtain and maintain state licensure or certification. The AQB also sets minimum qualifications for personal property appraisers, which must be met by Foundation Partners that confer personal property designations.

Serving on the AQB requires a strong understanding of what it takes to enter and succeed in the appraisal profession — including the skills, knowledge, and practical competencies expected of new appraisers. While holding an appraiser credential is not required, AQB members must bring relevant expertise, sound judgment, and a willingness to engage deeply with the *Real Property Appraiser Qualification Criteria*.

The **Appraisal Standards Board (ASB)** is responsible for developing, interpreting, and

amending the *Uniform Standards of Professional Appraisal Practice* (USPAP). ASB members are expected to have a strong working knowledge of USPAP, the ability to think critically about its structure and intent, and the judgment to determine when and how new guidance should be issued.

Each Board holds two in-person, two-day work sessions annually, along with additional virtual work sessions as needed. Meetings are typically held in Washington, DC, but may occasionally take place in other locations in conjunction with Foundation events. Boards also convene for two to three virtual public meetings per year (half-day sessions) and monthly two- to three-hour conference calls. Board work between meetings is ongoing and varies by project.

Members are compensated for their service and reimbursed for travel expenses. Individuals appointed to the AQB or ASB in this cycle will begin their terms on **January 1, 2026**, with an initial term length of one, two, or three years depending on Board needs.

The **Boards Nominating Committee of the Board of Trustees** seeks applicants from a range of disciplines and professional backgrounds who bring deep thinking, collaborative decision-making, and a commitment to advancing the appraisal profession in the public interest.

How to Apply:

Click here to apply for the **Appraisal Standards Board** (ASB).

Click here to apply for the **Appraiser Qualifications Board** (AQB).

Questions or More Information?

If you have questions, please feel free to contact Arika James at: arika@appraisalfoundation.org or via phone at 202-624-3072.

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