

October 11, 2023

Via Email

Jacqueline Noisette, Interim Program Manager
Board of Real Estate Appraisers
Occupational and Professional Licensing
Department of Licensing and Consumer Protection
1100 4th Street, SW, 3rd Floor
Washington, DC 20024
Jacqueline.noisette@dc.gov

RE: ASC Compliance Review of the District of Columbia's Appraiser Regulatory Program

Dear Jacqueline Noisette:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the DC appraiser regulatory program (Appraiser Program) on March 21-22, 2023, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the DC Appraiser Program is attached.

The ASC identified the following area of non-compliance:

- States must 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;¹
- States must 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;² and
- States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria.³

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. The District of Columbia will remain on a two-year Review Cycle.

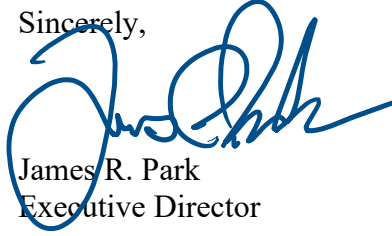
¹ 12 U.S.C. § 3351; Policy Statement 2 B.

² 12 U.S.C. § 3351; Policy Statement 2 B.

³ 12 U.S.C. § 3347; Policy Statement 6 A.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,

A handwritten signature in blue ink, appearing to read "James R. Park". The signature is stylized and cursive, with a large initial "J" and "P".

James R. Park
Executive Director

Attachment

cc: Leon Lewis, Program Executive, leon.lewis@dc.gov

Brittney Cheshier, Board Administrator, brittney.cheshier1@dc.gov

ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> • State meets all Title XI mandates and complies with requirements of ASC Policy Statements • State maintains a strong regulatory Program • Very low risk of Program failure 	2-year
Good	<ul style="list-style-type: none"> • State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements • Deficiencies are minor in nature • State is adequately addressing deficiencies identified and correcting them in the normal course of business • State maintains an effective regulatory Program • Low risk of Program failure 	2-year
Needs Improvement	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program • State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies • State regulatory Program needs improvement • Moderate risk of Program failure 	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program • State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing • State regulatory Program has substantial deficiencies • Substantial risk of Program failure 	1-year
Poor**	<ul style="list-style-type: none"> • State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements • Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program • State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies • High risk of Program failure 	Continuous monitoring

*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

** 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.



ASC State Appraiser Program Compliance Review Report

ASC Finding: Good
Final Report Issue Date: October 11, 2023

DC Appraiser Regulatory Program (State)			
DC Board of Real Estate Appraisers (Board)	PM: K. Klamet	ASC Compliance Review Date: March 21-22, 2023	Review Period: January 2021 to March 2023
Umbrella Agency: Department of Licensing and Professional Regulation		Number of State Credentialed Appraisers on Appraiser Registry: 760	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:	X			No compliance issues noted.	N/A	None	None
Temporary Practice: States must 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. (12 U.S.C. § 3351; Policy Statement 2B.)		X		The State did not track the "date completed application received" on their temporary practice permit log.	On July 31, 2023, the State reported a temporary practice permit log has been implemented to include the completed application date.	The State must ensure that the temporary practice permit log includes all required information.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2B.
Temporary Practice Continued: States must 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. (12 U.S.C. § 3351; Policy Statement 2B.)		X		Due to the lack of a tracking system or other documentation, ASC staff was unable to determine if temporary practice permits were issued within five business days of a completed application.	On July 31, 2023, the State reported a tracking system has been implemented to include the completed application date, staff review date and approval date. The tracking system will ensure the timeline is documented.	The State must ensure that the temporary practice permits are processed within five days of receipt of the application.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2B.
National Registry:	X			No compliance issues noted.	N/A	None	None
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:		X			N/A	None	None



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Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria. (12 U.S.C. § 3347; Policy Statement 6 A.)				ASC staff requested 12 education files for review; of those 12 files, 2 were not provided and 5 were approved without appropriate documentation to support that the appraiser courses conform to AQB Criteria.	On July 31, 2023, the State reported that, due to an office move, files were misplaced. The State advised that the provider for the 2 course files that were not provided is no longer in business and the 5 courses approved without appropriate documentation have been confirmed as conforming to AQB Criteria. In addition, the State reported that the filing system will be revamped to ensure file retrieval will no longer be an issue.	The State must ensure that all documentation to support its course validation methods are available to ASC staff for future Compliance Reviews and that the courses conform to AQB Criteria.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 6A.
Enforcement:	X			No compliance issues noted.	N/A	None	None