

February 16, 2024

**Via Email**

Angela Jemmott, Bureau Chief  
Bureau of Real Estate Appraisers  
3075 Prospect Park Drive, Suite 190  
Rancho Cordova, CA 95670  
[Angela.Jemmott@brea.ca.gov](mailto:Angela.Jemmott@brea.ca.gov)

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

Dear Angela Jemmott:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the California AMC regulatory program (AMC Program) on November 14-16, 2023, to determine the AMC 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 AMC Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) is attached.

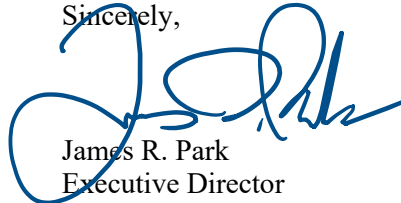
The ASC identified the following area of non-compliance:

- The State did not accurately report the status of 10 federally recognized AMCs.<sup>1</sup>

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

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

Sincerely,



James R. Park  
Executive Director

Attachment

cc: Loretta Dillon, Deputy Bureau Chief, [Loretta.Dillon@brea.ca.gov](mailto:Loretta.Dillon@brea.ca.gov)

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<sup>1</sup> States must ensure the accuracy of all data submitted to the AMC Registry. (Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 9.)

## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul>	1-year
Poor**	<ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>	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 12, Interim Sanctions.



**ASC State AMC Program Compliance Review Report**

ASC Finding: Good  
 Final Report Issue Date: February 16, 2024

<b>California AMC Regulatory Program (State)</b>			
Bureau Of Real Estate Appraisers (Bureau)	PM: N. Fenochietti	ASC Compliance Review Date: November 14-16, 2023	Review Period: October 2021 to November 2023
Umbrella Agency: Independent		Number of AMCs on AMC Registry: 175	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				
<b>Statutes, Regulations, Policies and Procedures:</b>	X			No compliance issues noted.		None	None
<b>National Registry:</b>			X				
States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect the registry fee. (Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 - 323.14; 12 CFR 1222.20 – 1222.26; 12 CFR 1102.403; Policy Statements 8 and 9.)				The State failed to determine annually the AMCs' panel size threshold.	On February 2, 2024, the State reported that prior to November 1, 2023, the State did not request the specific panel size during the renewal process, therefore, it was unknown how many of the multistate AMCs that registered during that time had less than 25 panel members. On November 1, 2023, the AMC renewal form was amended to reflect the federal definition, a panel of more than 25 for multistate AMCs. After November 1, 2023, only multistate AMCs with 25 or more panel members were reported to the AMC Registry.	None	The State is adequately addressing this deficiency and correcting it in the normal course of business.
<b>National Registry (continued):</b>		X					
States must ensure the accuracy of all data submitted to the AMC Registry. (Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 9.)				The State did not accurately report the status of 10 federally recognized AMCs.	On February 2, 2024, the State reported that processes, procedures, and more staff training has been provided. The State is in the process of amending the AMC application forms.	The State must monitor this process and ensure the status of each AMC is correctly reported to the AMC Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 9.
<b>National Registry (continued):</b>			X				
States must ensure the accuracy of all data submitted to the AMC Registry. (Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 9.)				The State failed to report 26 federally recognized AMCs to the AMC Registry.	On February 2, 2024, the State reported all 26 identified AMCs that were not reported to the AMC Registry have been reported. The reporting error was caused by interfacing errors between the State's system and the ASC website not automatically transferring data. To ensure correct reporting, the State implemented staff training, and added processes and procedures to ensure compliance with Title XI.	The State should continue to monitor this process to ensure all federally recognized AMCs are reported to the AMC Registry	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 9.
<b>Enforcement:</b>	X			No compliance issues noted.			