

April 1, 2024

**Via Email**

Amy Gumbrecht, Bureau Director  
Bryan Modelski, Deputy Bureau Director  
Bureau of Professional Licensing  
Department of Licensing and Regulatory Affairs  
Ottawa Building  
611 W Ottawa Street  
Lansing, MI 48933  
[Gumbrecht@michigan.gov](mailto:Gumbrecht@michigan.gov)  
[Modelski@michigan.gov](mailto:Modelski@michigan.gov)

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

Dear Amy Gumbrecht and Bryan Modelski:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Michigan AMC regulatory program (AMC Program) on July 11–13, 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 areas of non-compliance:

- 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;<sup>1</sup> and
- States must ensure the accuracy of all data submitted to the AMC Registry.<sup>2</sup>

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

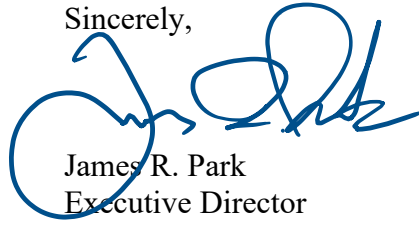
---

<sup>1</sup> 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.

<sup>2</sup> Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 9.

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", is positioned above the printed name and title.

James R. Park  
Executive Director

Attachment

cc: Brian DeBano, Licensing Division Director, [DeBanoB1@michigan.gov](mailto:DeBanoB1@michigan.gov)

Inna Volkova, Enforcement Division Director, [VolkovaI@michigan.gov](mailto:VolkovaI@michigan.gov)

Jon Campbell, Investigations and Inspections Division Director, [CampbellJ23@michigan.gov](mailto:CampbellJ23@michigan.gov)

## 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: April 01, 2024

<b>Michigan AMC Regulatory Program (State)</b>			
Michigan Board of Real Estate Appraisers (Board)	PM: M. Brown	ASC Compliance Review Date: July 11-13, 2023	Review Period: September 2021 to June 2023
Umbrella Agency: Department of Licensing and Regulatory Affairs, Bureau of Professional Licensing		Number of AMCs on AMC Registry: 5	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.	N/A	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 Statement 8 and 9.)				The State failed to include AMCs on the AMC Registry that met the federal definition of an AMC and to correctly calculate the annual fee according to the AMC Fee Rule.	On December 7, 2023, the State reported it updated its online applications and processes to accurately identify AMCs that meet the federal definition of an AMC and to correctly calculate the annual AMC Registry fee.	The State must monitor its revised procedures for reporting AMC information to the National Registry of AMCs to ensure compliance with Title XI.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statements 8 and 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 27 AMCs to the AMC Registry.	On December 7, 2023, the State reported it updated its online applications and processes to identify and include AMCs that meet the federal definition of an AMC on the AMC Registry.	The State must monitor its revised procedures for reporting AMC information to the National Registry of AMCs to ensure compliance with Title XI.	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				
States must resolve all complaints filed against AMCs within one year (12 months) of the complaint filing date, except for special documented circumstances. (Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 10.)				The State had 1 aged AMC complaint unresolved for more than 1 year without the exemption for special documented circumstances.	On December 7, 2023, the State reported the 1 aged complaint was mistakenly miscategorized. The case has since been investigated and closed.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 10.