

October 5, 2023

Via Email

Richard Monteaux, Board Chair
Chad Koch, Administrator
Appraiser Certification and Licensure Board
200 Hawthorne Ave SE, Ste C-302
Salem, OR 97301
rmonteaux@earthlink.net
Chad.Koch@aclb.oregon.gov

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

Dear Richard Monteaux and Chad Koch:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Oregon AMC regulatory program (AMC Program) on June 13-15, 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 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;¹ and
- States must ensure the accuracy of all data submitted to the AMC Registry;²

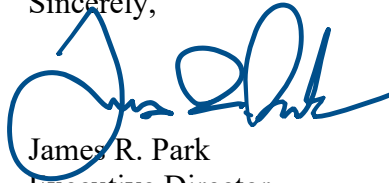
ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Oregon will remain on a two-year Review Cycle.

¹ Legal citing. Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 8.

² Legal citing. 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,



James R. Park
Executive Director

Attachment

cc: Paul Lindsay, Budget Manager, Paul.lindsay@aclb.oregon.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 12, Interim Sanctions.



ASC State AMC Program Compliance Review Report

ASC Finding: Good
 Final Report Issue Date: October 5, 2023

Oregon AMC Regulatory Program (State)

Appraiser Certification and Licensure Board (Board) PM: N. Fenochietti ASC Compliance Review Date: June 13-15, 2023 Review Period: July 2021 - June 2023

Umbrella Agency: Independent Number of AMCs on AMC Registry: 106 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						
States must impose requirements on State-registered AMCs to provide written notice when removing appraisers from the appraiser panel consistent with the AMC Rule. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26)				The State allows an AMC to remove an appraiser from its panel, without notice, within the first 90 days.	On September 7, 2023, the State reported that the prior 90-day exception to written notice has been removed from ORS 674.220.	None	The State addressed the concern.
Statutes, Regulations, Policies and Procedures Continued:			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 does not require that the AMC Panel size threshold is calculated over a 12-month period identified by the State.	On September 7, 2023, the State reported that Board staff amended the AMC Annual Report form to specify the panel size reporting period is between January 1 through December 31 of the reporting year.	None	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.
Statutes, Regulations, Policies and Procedures Continued:		X					
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. (Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 8.)				The State's database does not identify non-federally recognized State registered AMCs.	On September 7, 2023, the State reported that Board staff implemented a specific identifying code to be issued on Registrations for those AMCs that wish to do business in Oregon but do not meet the panel size thresholds for inclusion on the National Registry.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 9.
National Registry:		X					



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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 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 2 AMC name changes to the AMC Registry.	On September 7, 2023, the State reported that there was an interface/compatibility issue between the Board's licensing database and the ASC National Registry. In addition, the State will be addressing this moving forward by implementing a manual staff verification process for all AMC name changes submitted to the Board.	The State must continue to amend its process to ensure that the AMC Registry data is accurate.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 9.
National Registry:			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 the eligibility of 2 State registered AMCs.	On September 7, 2023, the State reported that Board staff amended AMC forms and applications to better identify AMCs that meet federal panel size thresholds, and to make clear the "single state" and "multi-state" panel size requirements for inclusion on the National AMC Registry.	None	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.
Enforcement:	X						
No compliance issues noted.				N/A		None	