

June 27, 2025

Via Email

Glenn Kopchak, Executive Director
Tennessee Real Estate Appraiser Commission
500 James Robertson Parkway
Nashville, TN 37243
Glenn.Kopchak@tn.gov

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

Dear Glenn Kopchak:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Tennessee AMC regulatory program (AMC Program) on April 8-10, 2025, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.¹

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 enforce and document ownership limitations for State-registered AMCs. ;²
- States must calculate the annual registry fee, as established by the ASC, and remit the registry fees to the ASC for AMCs to be listed on the AMC Registry.;³ and
- States must ensure the accuracy of all data submitted to the AMC Registry.⁴

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

The final ASC Compliance Review Report (Report) of the Tennessee AMC Program is attached.

¹ 12 U.S.C. §§ 3331-3356

² 12 U.S.C. § 3353; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

³ 12 U.S.C. § 3338; 12 CFR 1102.402; Policy Statement 9.

⁴ 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 black ink, appearing to read "MPonzar", written in a cursive style.

Matt Ponzar
Acting Executive Director

Attachment

cc: Reid Witcher, Assistant Commissioner, Reid.Witcher@tn.gov
Toby Compton, Deputy Commissioner, Toby.Compton@tn.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 AMC Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: June 27, 2025

| | | | |
|---|----------------|--|---|
| Tennessee AMC Regulatory Program (State) | | | |
| Tennessee Real Estate Appraiser Commission (Commission) | PM: J. Stewart | ASC Compliance Review Date: April 8-10, 2025 | Review Period: March 2023 to March 2025 |
| Umbrella Agency: Tennessee Department of Commerce and Insurance | | Number of AMCs on AMC Registry: 131 | 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 enforce and document ownership limitations for State-registered AMCs. (12 U.S.C. § 3353; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.) | | | | The State failed to enforce the ownership limitations on renewing AMCs by allowing the applicant to determine the good moral character of the AMC owners of more than 10 percent. | On June 16, 2025, the State reported that they are in the final stages of updating the AMC panel report application to ensure good moral character is determined by the State. | The State must continue with updating the AMC panel report application and provide the ASC Program Manager with a copy of the final language. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance. |
| National Registry: | | X | | | | | |
| States must calculate the annual registry fee, as established by the ASC, and remit the registry fees to the ASC for AMCs to be listed on the AMC Registry. (12 U.S.C. § 3338; 12 CFR 1102.402; Policy Statement 9.) | | | | The State's AMC Registry eligibility form does not correctly calculate the AMC Registry fee. The form reads: "The number of appraisals entered should be determined by the number of appraisers that have done at least one appraisal in Tennessee during the previous calendar year. How many appraisers do you have on the panel to complete covered transactions in the State of Tennessee?" | On June 16, 2025, the State reported that they are in the final stages of updating the AMC Registry fee collection language to ensure the Registry fee calculation is accurate. | The State must continue updating the AMC Registry fee language and provide the ASC Program Manager with a copy of the final language. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance. |



ASC State AMC Program Compliance Review Report

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| Tennessee Real Estate Appraiser Commission (Commission) | PM: J. Stewart | ASC Compliance Review Date: April 8-10, 2025 | Review Period: March 2023 to March 2025 |
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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 | | | | |
| National Registry: (continued) | | X | | | | | |
| States must ensure the accuracy of all data submitted to the AMC Registry. (12 U.S.C. § 3347; Policy Statement 9.) | | | | The State failed to report 3 AMC name changes to the AMC Registry. The State also reported 5 AMCs as active while the AMCs' State registrations had expired, and 4 AMCs as inactive while the State registrations were active. | On June 16, 2025, the State reported that they have developed a process for monthly review of Registry data to ensure accuracy. | The State must monitor its new process and ensure the accuracy of Registry data. | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance. |
| Enforcement: | X | | | | | | |
| | | | | No compliance issues noted. | N/A | None | None |