

January 23, 2026

Via Email

Angela Jemmott, Bureau Chief
Bureau of Real Estate Appraisers
Department of Consumer Affairs
3075 Prospect Park Drive, Suite 190
Rancho Cordova, CA 95670
Angela.Jemmott@brea.ca.gov

RE: ASC Compliance Review of California's Appraiser Regulatory Program

Dear Angela Jemmott:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the California appraiser regulatory program (Appraiser Program) on November 3-6, 2025, to determine the 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 Appraiser Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the California Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- 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
- States must ensure that staff authorization information provided to the ASC is updated and accurate;³ and
- States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances.⁴

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

¹ 12 U.S.C. §§ 3331-3356.

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

³ 12 U.S.C. § 3332(a)(6); 12 U.S.C. § 3347; Policy Statement 3 A, C.

⁴ 12 U.S.C. § 3347; Policy Statement 7 B.

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 cursive script that reads "Frederick Grier".

Frederick Grier
Acting Executive Director

Attachment

cc: Mujiburrahman Khateer, Deputy Bureau Chief-Licensing and Administration Services,
Mujiburrahman.Khateer@brea.ca.gov
Tinna Morlatt, Deputy Bureau Chief-Enforcement, Tinna.Morlatt@brea.ca.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: January 23, 2026

California Appraiser Regulatory Program (State)			
Bureau of Real Estate Appraisers		PM: T. Lewis	ASC Compliance Review Date: November 3-6, 2025
Umbrella Agency: Department of Consumer Affairs		Number of State Credentialed Appraisers on Appraiser Registry: 7,299	Review Period: October 2023 to October 2025
			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:		X					
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 2 B.)				The State failed to process 4 requests for temporary practice permits within 5 business days of receipt of a completed application.	On December 31, 2025, the State responded that during the review period, more than 500 temporary practice permits were issued and that fewer than 1% of these applications (four total) were processed beyond the mandated five-day timeframe. The State noted that the few instances of delinquency occurred due to substantial staffing changes within the program. The State went on to say that since the engagement of a new manager and implementation of new process controls, temporary practice permits are being issued timely and in full compliance with all requirements.	The State must monitor the process to ensure temporary practice permits are issued within 5 business days of receipt of application.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.



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Umbrella Agency: Department of Consumer Affairs				Number of State Credentialed Appraisers on Appraiser Registry: 7,299		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				
National Registry:		X					
States must ensure that staff authorization information provided to the ASC is updated and accurate. (12 U.S.C. § 3332(a)(6); 12 U.S.C. § 3347; Policy Statement 3 A, C.)				The State failed to notify the ASC to inactivate an individual's Registry access.	On December 31, 2025, the State responded that it had previously believed its internal offboarding protocols were adequate to prevent continued access to both the State system and the National Registry, and was unaware of a requirement to notify ASC directly of staff separations. The State went on to add that having received clarification on the need for a formal deactivation notice to the ASC, the requirement has now been incorporated within the State’s existing offboarding procedures.	The State must monitor its revised processes to ensure that the ASC is provided with notification to inactivate departing staff's access to the National Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process:	X						
				No compliance issues noted.	N/A	None	None
Reciprocity:	X						
				No compliance issues noted.	N/A	None	None
Education:	X						
				No compliance issues noted.	N/A	None	None



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Umbrella Agency: Department of Consumer Affairs		Number of State Credentialed Appraisers on Appraiser Registry: 7,299	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				
Enforcement:		X					
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)				The State had 81 aged complaints, of which 41 were unresolved for more than 1 year without the exemption for special documented circumstances. This concern was identified during the 2023 Compliance Review Report.	On December 31, 2025, the State reported that although there were 41 cases without the exemption of special documented circumstances remaining open for over one year, the State was successful in resolving 422 cases during the period under review, representing an increase of 60 cases closed, compared to the previous Review cycle. The State went on to say that it remains committed to resolving the backlog of aged complaints and has already begun this effort by strengthening its enforcement operations through the hiring of new investigators, filling the Deputy Bureau Chief of Enforcement position, and using contracted investigative services. Lastly, the State indicates it plans to hire a Supervisory Property Appraiser, explore changing its hiring criteria for future investigator positions, and incorporate enforcement operational needs within its 5-year strategic planning as ongoing efforts to strengthen enforcement.	The State must monitor its revised processes to ensure complaints are resolved timely and the backlog of aged complaints is eliminated.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.