

January 23, 2026

Via Email

Jennifer Clawson, Assistant Director
Business & Professions Division
Washington State Department of Licensing
Real Estate Appraiser Section
PO Box 3917
Seattle, WA 98124-3917
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RE: ASC Compliance Review of Washington's Appraiser Regulatory Program

Dear Jennifer Clawson:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Washington appraiser regulatory program (Appraiser Program) on August 5-7, 2025, to determine the Appraiser 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 is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the Washington Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- 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;²
- States are required to report all disciplinary actions via the extranet application within 5 business days after the disciplinary action is final, as determined by State law;³
- States must ensure that staff authorization information provided to the ASC is updated and accurate;⁴
- States must track all temporary practice permits using a log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any;⁵
- States must not impose excessive fees or burdensome requirements for temporary practice and States may not charge a temporary practice fee exceeding \$250, including one extension fee;⁶

¹ 12 U.S.C. §§ 3331-3356.

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

³ 12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 D.

⁴ 12 U.S.C. § 3347; Policy Statement 3 A, C.

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

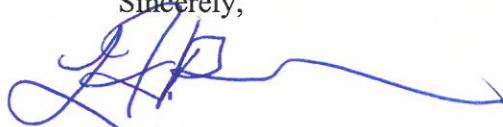
⁶ 12 U.S.C. § 3351; Policy Statement 2 B.

- States must complete audits of affidavits for continuing education credit claimed within sixty (60) business days from the date the credential is scheduled for renewal (based on the credential's expiration date);⁷
- States must take remedial action when more than ten percent of audited affidavits for continuing education credit claimed fail to meet minimum AQB Criteria;⁸ and
- States must designate a senior official as the State's Authorized Registry Official and inform the ASC, in writing, of their designee and any individual(s) authorized to act on their behalf.⁹

The ASC believes the State's proactive responses to the Preliminary Compliance Review Report demonstrate a serious intent to correct the areas of noncompliance identified. ASC staff will confirm appropriate corrective actions have been taken through off-site monitoring and during the next Review. The ASC appreciates the efforts made by the Business & Professions Division within the Washington State Department of Licensing to pay its overdue National Registry invoices in full, as of the date of the review. Washington 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,



Luke H. Brown
Acting Chair

Attachment

cc: Katherine McDaniel, Administrator, Operational Support Services,
KMcdaniel@dol.wa.gov
 Bill Dutra, Administrator, Policy & Outreach, BDutra@dol.wa.gov
 Sarah Pittman, Deputy Assistant Director, SPittman@dol.wa.gov
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⁷ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 C.

⁸ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 C.

⁹ 12 U.S.C. § 3347; Policy Statement 3 A.

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: Needs Improvement

Final Report Issue Date: January 23, 2026

Washington Appraiser Regulatory Program (State)

Real Estate Appraiser Commission		PM: M. Brown		ASC Compliance Review Date: August 05-07, 2025		Review Period: August 2023 to July 2025
Umbrella Agency: Washington State Department of Licensing			Number of State Credentialed Appraisers on Appraiser Registry: 2,481		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
Temporary Practice:	X		The State's temporary practice permit log does not include the date a completed application was received.	On September 9, 2025, the State reported that it is assessing ways to incorporate a field in its licensing system to record the date when applications are considered complete. At the same time, the State reported it has established a written procedure for adding a note to its licensing record document with the date an application is complete.	The State must monitor its revised procedure to ensure its temporary practice permit log includes the date when an application is considered complete.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Temporary Practice Continued:	X					
States must not impose excessive fees or burdensome requirements for temporary practice. States may not charge a temporary practice fee exceeding \$250, including one extension fee. (12 U.S.C. § 3351; Policy Statement 2 B.)			The State charges \$250 for a temporary practice permit and \$250 for a temporary practice permit extension.	On September 9, 2025, the State reported that its statutes prohibit the renewal of temporary practice permits. At the same time, the State reported that the staff error will be addressed through training.	The State must ensure that it does not impose excessive fees or burdensome requirements for temporary practice, such as charging a fee exceeding \$250, including one extension fee.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.



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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: States are required to report all disciplinary actions via the extranet application within 5 business days after the disciplinary action is final, as determined by State law. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 D.)			The State reported 7 disciplinary actions to the National Registry; 4 were not reported within 5 business days.	On September 9, 2025, the State reported that staff have been informed of the requirement to update the National Registry within 5 days of an executed final order. At the same time, the State reported procedures have been implemented to ensure compliance.	The State must monitor its procedures to ensure all disciplinary actions are reported to the ASC via the extranet application within 5 business days after the disciplinary action is final, as determined by State law.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry Continued: States must designate a senior official as the State's Authorized Registry Official and inform the ASC, in writing, of their designee and any individual(s) authorized to act on their behalf. (12 U.S.C. § 3347; Policy Statement 3 A.)			The State failed to notify the ASC to update their Authorized Registry Official.	On September 9, 2025, the State reported that recent organizational changes led to difficulties in updating the Authorized Registry Official. At the same time, the State reported that processes have been established to ensure timely and accurate reporting.	The State must monitor its process to ensure it designates a senior official as the State's Authorized Registry Official and informs the ASC, in writing, of their designee and any individual authorized to act on their behalf.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry Continued: States must ensure that staff authorization information provided to the ASC is updated and accurate. (12 U.S.C. § 3347; Policy Statement 3 A, C.)			The State failed to notify the ASC to deactivate 2 individuals' Registry access when they left the program. This concern was also identified in the 2023 Compliance Review Report.	On September 9, 2025, the State reported that its system automatically updates the information. At the same time, the State reported to ensure accuracy it will conduct periodic audits through report reviews.	Because this process cannot currently be automated through the National Registry, the State must ensure that staff authorization information provided to the ASC is updated and accurate.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.



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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			
Application Process: States must complete audits of affidavits for continuing education credit claimed within sixty (60) business days from the date the credential is scheduled for renewal (based on the credential's expiration date). (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 C.)			The State conducted 249 continuing education (CE) audits; 4 audits took more than 60 days, and 2 audits did not have an audit completion date. This concern was also identified in the 2023 Compliance Review Report.	On September 9, 2025, the State reported that modifications are being made to its auditing and reporting procedures to ensure accurate timeline are documented.	The State must monitor its revised procedure to ensure it completes audits of affidavits for CE credit claimed within 60 business days from the date the credential is scheduled for renewal.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process Continued: States must take remedial action when more than ten percent of audited affidavits for continuing education credit claimed fail to meet minimum AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 C.)			The State conducted CE audits in 24 months during the period under review. The State failed to take remedial action when 10 of the 24 months resulted in CE failure rates of more than 10 percent.	On September 9, 2025, the State reported that a written process is being developed to direct staff on steps to take when CE failure rates exceed 10 percent.	Within 60 days, the State must develop new procedures and provide a written plan to ASC staff on how the program will take remedial action when more than 10 percent of audited affidavits for CE credit claimed fail to meet minimum AQB Criteria.	ASC staff will verify the effectiveness of the new procedures. ASC staff will also pay particular attention to this area during the next Compliance Review.
Reciprocity:	X		No compliance issues noted.	N/A	None	None



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	YES	NO	AC			
Education: States may not continue to accept courses after the AQB-approved organization's approval of course design and delivery date has expired. (Policy Statement 6 B.)			The State approved 1 asynchronous course and assigned an expiration date that continued beyond the expiration date of the design and delivery mechanism approval by an AQB-approved organization.	On September 9, 2025, the State reported that the IDECC and AQB expiration dates were entered into wrong data fields, which caused the system to generate an expiration date beyond the allowable limit. At the same time, the State reported a process has been implemented to verify correct data entry going forward.	The State should monitor its process to ensure it does not accept courses after the AQB-approved organization's approval of course design and delivery date has expired.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Enforcement: 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 received 172 complaints and closed a total of 202 complaints during the period under review. The State had 23 outstanding complaints, of which 2 were unresolved for more than 1 year and none were unresolved for more than 2 years, without the exemption for special documented circumstances. None of the outstanding complaints were unresolved for more than 2 years without the exemption for special documented circumstances. This concern was also identified in the 2023 Compliance Review Report.	On September 9, 2025, the State reported that it has made changes to resolve aged complaints that involve adjustments to leadership structure, added resources, and reduced timelines for increased accountability.	The State must monitor its new processes to ensure it resolves all complaints filed against appraisers within 1 year of the complaint filing date in the absence of special documented circumstances.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.