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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

August 6, 2019

Ms. Cynthia Briggs, Program Manager  
Board of Real Estate Appraisers  
Occupational and Professional Licensing Administration  
Department of Consumer and Regulatory Affairs  
1100 4th Street SW, Suite E500  
Washington, DC 20024

RE: ASC Compliance Review of the District of Columbia's Appraiser Regulatory Program

Dear Ms. Briggs:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the District of Columbia appraiser regulatory program (Appraiser Program) on April 15-17, 2019, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

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 District of Columbia Appraiser Program is attached.

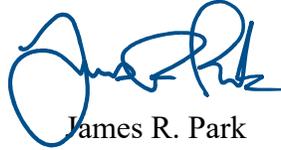
The ASC identified the following areas of non-compliance:

- 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;<sup>1</sup>
- States must track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any;<sup>2</sup> and
- States may not limit an appraiser to one temporary practice permit per calendar year.<sup>3</sup>

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. the District of Columbia 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,



James R. Park  
Executive Director

Attachment

cc: Mr. Leon Lewis, Executive Director  
Ms. Stacey Williams, Board Administrator  
Ms. Tamora Papas, Board Chair

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<sup>1</sup> 12 U.S.C. § 3351; Policy Statement 2.

<sup>2</sup> 12 U.S.C. § 3351; Policy Statement 2 B.

<sup>3</sup> 12 U.S.C. § 3351; Policy Statement 2 B.

## 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 <sup>1</sup>	<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.

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<sup>1</sup> An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.

## ASC State Appraiser Program Compliance Review Report

ASC Finding: Good  
 Final Report Issue Date: August 6, 2019

**District of Columbia (DC) Appraiser Regulatory Program (State)**

DC Board of Real Estate Appraisers (Board) / Decision Making: PM: J. Tidwell  
 ASC Compliance Review Date: April 15-17, 2019  
 Review Period: April 2017 to April 2019

Umbrella Agency: Department of Consumer and Regulatory Affairs  
 Number of State Credentialed Appraisers on National Registry: 764  
 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>Temporary Practice:</b>		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.)				The State failed to process requests for temporary practice permits within 5 business days of receipt of a completed application.	On July 8, 2019, the State reported they directed their application processing vendor to approve and issue temporary permits that do not require Board review. This will allow the vendor to process applications within 5 business days of receipt of a completed application.	The State must monitor temporary practice permit processing to ensure compliance with Title XI and ASC Policy Statement 2.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2.
<b>Temporary Practice continued:</b>		X					
States must track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any. (12 U.S.C. § 3351; Policy Statement 2 B.)				The State failed to accurately track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any.	On July 8, 2019, the State reported they directed their application processing vendor to accurately track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any.	The State must monitor temporary practice permit processing to ensure compliance with Title XI and ASC Policy Statement 2.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2.

## ASC State Appraiser Program Compliance Review Report

ASC Finding: Good  
Final Report Issue Date: August 6, 2019

### District of Columbia (DC) Appraiser Regulatory Program (State)

DC Board of Real Estate Appraisers (Board) / Decision Making	PM: J. Tidwell	ASC Compliance Review Date: April 15-17, 2019	Review Period: April 2017 to April 2019
Umbrella Agency: Department of Consumer and Regulatory Affairs		Number of State Credentialed Appraisers on National Registry: 764	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>Temporary Practice continued:</b>		X					
States may not limit an appraiser to one temporary practice permit per calendar year. (12 U.S.C. § 3351; Policy Statement 2 B.)				The State limits an appraiser to one temporary practice permit at a time; consequently limiting temporary practice permits to one permit per calendar year.	On July 8, 2019, the State reported a new on-line system did not allow for more than one temporary practice permit at a time consequently limiting permits to 1 every 12 months. The application processing vendor is manually processing temporary practice permits until the system is corrected to allow an appraiser two temporary practice permits at a time.	The State must monitor temporary practice permit processing to ensure compliance with Title XI and ASC Policy Statement 2.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2.
<b>National Registry:</b>			X				
States must ensure that the authorization information provided to the ASC is updated and accurate. (12 U.S.C. § 3347; Policy Statement 3 C.)				The State failed to notify the ASC to remove National Registry authorization of two individuals when they were no longer eligible.	On July 8, 2019, the State reported the authorization information was updated. In addition, a backup person was added to ensure the information will be kept updated and accurate in the future.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
<b>Application Process:</b>	X						
				No compliance issues noted.	N/A	None	None
<b>Reciprocity:</b>	X						
				No compliance issues noted.	N/A	None	None
<b>Education:</b>	X						
				No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>	X						
				No compliance issues noted.	N/A	None	None