

ASC Staff Comments on  
ASCAC Recommendations

November 4, 2015

## Temporary Practice

*Recommendation 1:* Once all States report data to the National Registry on at least a weekly basis, the Committee recommends finding that a letter of good standing is burdensome on States and appraisers if the person being asked for the letter is active on the National Registry.

**Staff Comments:** Full compliance may require rulemaking.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 1-3 years

*Recommendation 2:* Given the importance of criminal background screening, the Committee recommends that no action be taken regarding the requirement by some States of a criminal background check on an applicant for temporary practice.

**Staff Comments:** No action needed.

**Staff Recommendation:** Agree with recommendation.

**Timing:** N/A

*Recommendation 3:* Currently it appears on the National Registry as if the disciplinary action on a temporary practice permit was taken in the applicant's home State, not the actual State that took disciplinary action. Design the National Registry so it reflects the State that took disciplinary action against the appraiser and the details of the action.

**Staff Comments:** This is on the list of upgrades for the National Registry Rebuild.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 2-3 years

## National Registries

**Recommendation 1:** Absent uniformity across the States, do not include Trainees, either on a voluntary or mandatory basis, on the National Registry of Appraisers.

**Staff Comments:** The ASC has no authority to require Trainees to be placed on the National Registry of Appraisers. A voluntary Registry would be ineffective.

**Staff Recommendation:** No action needed.

**Timing:** N/A

**Recommendation 2:** Develop one unique identifier for each appraiser or appraisal management company (AMC) listed on a National Registry that will be used by each State in which the appraiser is credentialed or AMC is registered.

**Staff Comments:** Unique Identifier Project for appraisers is in process. However, creating a unique ID number for an AMC is more difficult since there's no base number like a social security number.

**Staff Recommendation:** Continue with the Unique Identifier Project and continue to explore ways to track AMCs and/or their owners. The Committee discussed the use of the Employee Identification Number (EIN) as a base number and the ASC can explore this option.

**Timing:** 1-2 years

**Recommendation 3:** Maintain for public viewing, on each appraiser's or AMC's screen, all historical disciplinary actions that impact a registrant's ability to practice.

**Staff Comments:** This would increase transparency. However, making previous disciplinary actions readily available raises a number of questions (*e.g.*, how long will the disciplinary action remain visible and how equitable is it to retain disciplinary action records once the terms of discipline have been completed) and may adversely impact appraisers. ASC staff believes this is a decision best left to each State.

**Staff Recommendation:** Recommendation not advisable.

**Timing:** N/A

**Recommendation 4:** The National Registry notes only if an appraiser is active or inactive in a State. Develop a dropdown list within the National Registry to denote the reason an appraiser is listed as inactive, *i.e.*, retired, deceased, license suspension/revocation.

**Staff Comments:** This is on the list of upgrades for the next rebuild of the National Registry of Appraisers.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 2-3 years

**Recommendation 5:** Provide additional content to information currently available on the National Registry for each appraiser. See Section 2 in the Appendix of the ASCAC Recommendations, and also refers to *Recommendation 2* under Information Sharing.

**Staff Comments:** While staff agrees that the additional information could be informative, we recognize States' ability to provide all of this information may be limited. Staff does not agree with adding links to State disciplinary action webpages or the disciplinary actions themselves. Electronic links must be carefully maintained which will require significant resources. The website already provides links to State Programs which enables users to contact State Programs for more information.

**Staff Recommendation:** Staff recommends further studies on the need to collect the suggested data, assess the ability of State Programs to provide suggested data, and feasibility to incorporate the appropriate changes into our efforts to rebuild the National Registry of Appraisers and the construction of the National Registry of AMCs.

**Timing:** To be determined before the design of National Registry of AMCs is finalized.

**Recommendation 6:** Appraiser data and information regarding disciplinary actions should be submitted to the ASC as soon as practical and at least weekly.

**Staff Comments:** Policy Statement 3 requires that significant disciplinary actions (revocation, suspension, and surrender in lieu of disciplinary action) be reported to the ASC within 5 days after the disciplinary action is final. As of July 1, 2013, all States were required to report disciplinary action via the extranet application.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 1-3 years (depending on whether rulemaking required)

**Recommendation 7:** Content for the National Registry of AMCs should include detailed information as set forth in Section 3 in the Appendix of the ASCAC Recommendations.

**Staff Comments:** Additional information could be informative, however States ability to provide all of this information may be limited. If the ASC were to accept this recommendation, it could be added as a data element to the construction of the National Registry of AMCs.

**Staff Recommendation:** Agree to study the need to collect the suggested data and the ability of State Programs to provide suggested data. Staff disagrees with ASCAC's recommendation that the name of individuals and/or entities that own 10% or more of the company be included. This could be voluminous and difficult to keep current.

**Timing:** 6 months (to be determined before the design of National Registry of AMCs is finalized)

*Recommendation 8:* Require that States notify the ASC of any disciplinary action that interrupts a credential holder's ability to practice within five business days after the action is either final or effective.

**Staff Comments:** Requirement already in place.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 1-3 years (depending on whether rulemaking required)

## Information Sharing

**Recommendation 1:** Provide more information about each appraiser and AMC on the National Registries. See Sections 2 and 3 in the Appendix, and also refer to Recommendation 5 under National Registries.

**Staff Comments:** Additional information could be informative, however States ability to provide all of this information may be limited. Redesigning the Registry to support largely commercial interests in this change may be outside the scope of the Registry. Data elements for the rebuild of the National Registry of Appraisers and the construction of the National Registry of AMCs need to be determined.

**Staff Recommendation:** Agree to study the need to collect the suggested data and the ability of State Programs to provide suggested data.

**Timing:** 3-6 months (to be determined before design of National Registry of AMCs is finalized)

**Recommendation 2:** Maintain the disciplinary action history of an appraiser on the public side of the National Registry so the public will have available all periods of time in which an appraiser was not active on the National Registry. Also the National Registry should maintain all information regarding registration, such as periods of inactive status.

**Staff Comments:** This would increase transparency. However, making previous disciplinary actions readily available raises a number of questions (*e.g.*, how long will the disciplinary action remain visible and how equitable is it to retain disciplinary action records once the terms of discipline have been completed) and may adversely impact appraisers. ASC staff believes this is a decision best left to each State.

**Staff Recommendation:** Recommendation not advisable.

**Timing:** N/A

**Recommendation 3:** Enhance the ASC website to include much more information on each State appraiser regulatory agency, including information regarding AMCs. See Section 4 in the Appendix of the ASCAC Recommendations.

**Staff Comments:** The ASC website should not be the clearinghouse for individual State appraiser information. The increased workload for ASC staff to maintain the links and information would be significant.

**Staff Recommendation:** Recommendation not advisable.

**Timing:** N/A

*Recommendation 4:* Make it easy for a State appraiser regulatory agency to discover if another State appraiser regulatory agency is in compliance with Title XI. This can be noted on each State agency page, in a separate document, or both.

**Staff Comments:** This information currently is available on the website. We can, however, consider making the information more prominent, particularly in the case of a State rated Poor.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 2-3 weeks

## Enforcement

*Recommendation 1:* Strictly define the “complaint filing date” as the date the original complaint is received in the State appraiser regulatory agency office.

**Staff Comments:** Would facilitate uniform application.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 1 – 3 years (depending on whether rulemaking required)

*Recommendation 2:* More specifically define “special documented circumstances,” as currently used in ASC Policy Statement 7.

**Staff Comments:** Would facilitate uniform application.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 1 – 2 years (depending on whether rulemaking required)

*Recommendation 3:* Clarify what constitutes an “investigation” of the merits of a complaint.

**Staff Comments:** Would facilitate uniform application.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 1 – 3 years (depending on whether rulemaking required)

## Proposed Sanctions for Enforcement of ASC Regulations

### A. DEFINITIONS

**Staff Comments:** Implementing a matrix as an enforcement tool will require rulemaking; definitions and aggravating/mitigating circumstances should be included. Many of the items in the ASCAC matrix are currently done on a voluntary basis to correct a compliance issue.

*Warning:* A letter that informs the State that its program is not conducting its business in compliance with Title XI and ASC Policy Statements.

**Staff Comments:** Currently the ASC Final Compliance Review Report (Report) informs the State that its Program is not in compliance with Title XI and/or ASC Policy Statements and/or warns the State when there is an area of concern that could cause the Program to become out of compliance.

*Training for Board members:* Requiring all sitting Board members to attend a workshop regarding a specific topic, usually the role of a State appraiser regulatory agency. May also include training in another topic such as USPAP.

**Staff Comments:** Board member training has been recommended as part of an agreement between the ASC and States to help resolve specific concerns and/or bring the Program into compliance. This could be very effective as a sanctioning tool.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 2-3 years. Implementation would require rulemaking, although at present Board members may voluntarily attend training.

*Training for staff:* Requiring some or all Board staff to attend a workshop regarding a specific topic, such as investigator training or USPAP.

**Staff Comments:** The use of education for Board members currently may be used as part of an agreement between the ASC and a State to help resolve a specific concern. Expanding required training to include State staff would be helpful and effective as a sanctioning tool.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 2-3 years. Implementation would require rulemaking.

*Consultation with State authorities:* ASC staff and possibly agency members contacting State officials such as the Governor's office or State legislative members. Contact may be in writing or in person.

**Staff Comments:** ASC staff currently meets and consults with State officials such as the Governor's office and/or state legislative members when requested by the State or when the Program is at risk of failure. This could be very effective as a sanctioning tool.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 2-3 years. Implementation would require rulemaking.

*Meeting with affected parties:* ASC staff and possibly State agency members contacting parties such as State Banking Commissions and real estate broker/appraiser trade organizations. I don't see the sanction value in this recommendation, particularly if it is by invite. Third parties/affected parties are numerous and have little authority over the Programs or ability to make changes in Program operation, I think.

**Staff Comments:** ASC staff currently meets with affected parties such as State Banking Commissions and real estate broker/appraiser trade organizations when invited or the Program is at risk of failure.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 2-3 years. Implementation would require rulemaking.

*Require State use of Voluntary Disciplinary Sanction Matrix:* Requiring the State to use the Matrix in determining sanctions for enforcement of appraiser complaints.

**Staff Comments:** ASC staff encourages States to develop and use a disciplinary matrix to bring the enforcement area of the Program into compliance. This could be very effective as a sanctioning tool. The Matrix referred to by ASCAC was developed by a task force and is available on the Appraisal Foundation website. Staff recognizes that this Matrix may be revised to better reflect a State's enforcement practices.

**Staff Recommendation:** Agree with adopting a version of the recommended sanction, changing "the Matrix" to "a matrix."

**Timing:** 2-3 years. Implementation would require rulemaking.

*Expedited review:* Scheduling a compliance review or follow up before the usual two-year period. Review may be electronic.

**Staff Comments:** States currently are placed on an accelerated Compliance Review Schedule or Follow-up Review based on the Program's Rating, history or nature of deficiency.

**Staff Recommendation:** Agree with recommendation.

**Timing:** N/A

*Continuous monitoring:* Requiring reports on required or agreed upon corrective actions on a monthly or quarterly basis. Additional monitoring may include on-site monitoring as well as off-site monitoring.

**Staff Comments:** Additional monitoring such as monthly or quarterly reports is currently implemented by the ASC.

**Staff Recommendation:** Agree with recommendation.

**Timing:** N/A

*Interim removal of credential from the National Registry:* May be an individual credential or a group of credentials.

**Staff Comments:** Title XI allows for the removal of an individual appraiser or AMC from the Registry on an interim basis not to exceed 90 days. ASC Policy Statement 8 addresses adopted procedures to implement this sanction. This could be very effective as a sanctioning tool.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 2-3 years. Implementation would require rulemaking.

*Removal of credential from the National Registry:* May be an individual credential or a group of credentials.

**Staff Comments:** No staff recommendation since this sanction is already incorporated in other recommended sanctions and ASCAC did not use this sanction on the proposed matrix.

*Interim derecognition:* Derecognizing some or all of credentials to perform federally related transactions issued by the State.

No new credentials added to the National Registry

No upgrades issued to specific credentials to perform federally related transactions

No temporary practice permits issued to perform federally related transactions

**Staff Comments:** Title XI allows for the ASC to impose actions and suspensions against a State agency as an alternative to, or in advance of derecognition of a State agency. ASC Policy Statement 8 addresses adopted procedures to implement this sanction. This could be very effective as a sanctioning tool.

**Staff Recommendation:** Agree with recommendation.

**Timing:** 2-3 years. Implementation would require rulemaking.

*Derecognition:* Removal of credentials from the National Registry issued by a State, and not accepting any new credentials from that State. As a result, there would be no appraisals of property within that State that could be used for federally related transactions.

**Staff Comments:** Title XI allows for derecognition of a State appraisal program. There are adopted Rules for this sanction.

**Staff Recommendation:** Agree with recommendation.

**Timing:** N/A

# AGGRAVATING AND MITIGATING CIRCUMSTANCES

[ASC staff comments in red]

## AGGRAVATING CIRCUMSTANCES

An aggravating factor is any information or evidence regarding the deficiency that might result in an increased sanction. Aggravating circumstances include:

- Pattern of prior deficiencies of another type that have not been corrected.
- Pattern of prior deficiencies of the same type
- Numerous deficiencies of various types
- Refusal to acknowledge the deficiency
- Lack of cooperation with the ASC staff
- A lack of willingness or lack of efforts to correct deficiencies
- Deficiencies are material and, if not corrected in a timely manner, will pose a potential risk to the program, licensees, financial institutions or agencies or to the public
- Submission of false statements or documents, or other deceptive practices
- Board member involved in a decision who had a conflict of interest or bias that affected the outcome of a matter
- Other deficiencies in the program that might indicate systemic issues
- Risk of program failure
- Systemic failure to exercise reasonable care toward equitable enforcement

## MITIGATING CIRCUMSTANCES

A mitigating factor is any information or evidence regarding the deficiency that might result in a decreased sanction. Mitigating circumstances include:

- No prior deficiencies of any type
- Prior deficiencies of another type that were minor and have been corrected
- Understanding and acknowledgement of deficiency
- Immediate steps taken to correct the issue
- Personnel issues such as illness or loss of a key staff member
- Change in leadership  
[ASC staff recognizes that solid programs can continue despite changes in leadership. It may also present opportunity for marginal programs to present larger number of mitigants to avoid a negative finding.]
- State otherwise has an effective and efficient regulatory program
- The occurrence of a natural disaster
- Board member who had a conflict of interest was cleared by a State ethics agency before participating in a matter (unless the ASC finds the conflict created a bias that affected the outcome)

## SANCTIONS MATRIX

[ASC staff comments in red]

Staff recommends the adoption of the Sanction Matrixes proposed (See Attachment 1) to be used as guidance in conjunction with the aggravating and mitigating circumstances list in sanctions for State programs with the following revisions:

National Registry (includes Information Sharing)	ASC Staff Comments/Recommendations:
Does not transmit a roster listing individuals who have received a State certification or license at least monthly.	<b>Change to read:</b> Does not transmit at least monthly a roster listing individuals who have received a State certification or license.
Places non-AQB compliant appraisers on the Registry.	
For appraisers who choose not to be on the Registry, fails to place a notice on the pocket card.	<b>Change to read:</b> For appraisers who choose not to be on the Registry, ensure credentials are clearly identified as restricted from performing appraisals for federally related transactions.
Does not have or enforce a policy to restrict access to submit information to the National Registry.	<b>Change to read:</b> Does not have or enforce a policy to ensure that personnel with access to the National Registry protect the right of access and not share the User Name and Password.
Does not remit Registry fees in a timely fashion.	
Has not designated an Authorized Registry Official.	
Does not report the most serious disciplinary actions (i.e., voluntary surrenders, suspensions and revocations, or any action that interrupts a credential holder's ability to practice) within 5 business days after the action is final.	
Does not use the extranet program to report disciplinary action.	
Must report all disciplinary actions to the National Registry in 30 days.	<b>Change to read:</b> Does not report all disciplinary actions to the National Registry in 30 days.
Using a federally recognized credential or designation that is not easily distinguished from federally recognized credentials.	

	<b>Add:</b> Does not ensure the accuracy of all data submitted to the National Registry.
<b>Enforcement</b>	
Cases not resolved within 1 year with no special circumstances documented.	
Dismissal of case without consideration of merit.	<b>Change to read:</b> Dismissal of complaint without consideration of merits of the complaint.
Persons analyzing complaints for USPAP compliance must be knowledgeable in USPAP.	<b>Change to read:</b> Persons analyzing complaints for USPAP compliance are not knowledgeable about appraisal practice and USPAP.
Not analyzing to determine if additional violations should be added to the complaint.	<b>Change to read:</b> Does not analyze complaint to determine if additional violations are present.
Enforcement dispositions are not consistent.	
Enforcement dispositions are not appropriate and equitable.	
Complaint files are not well-documented and do not clearly show the status of the complaints.	
Complaint log inadequate.	
Complaint log missing.	
<b>Temporary Practice</b>	
State does not have temporary practice system.	
Does not use National Registry to verify status of applicant.	
Does not issue TPP on a temporary assignment basis.	
Does not issue TPP within 5 business days.	<b>Change to read:</b> Does not issue TPP within 5 business days of a completed application, or notify the applicant and document the file as to the circumstance.
TPP does not have actual date of issuance.	
Does not take regulatory responsibility for a temporary practitioner's bad acts.	<b>Change to read:</b> Does not take regulatory responsibility for a temporary practitioner's violations if allowed by State law.
Does not notify the appraiser's home State agency in the case of disciplinary action concerning a temporary practitioner.	
Does not allow at least one extension of TPP.	

Limits the valid time period of a temporary practice permit to less than 6 months.	
Limits an appraiser to one temporary practice permit per calendar year.	
Charges a temporary practice permit fee exceeding \$250, including one extension fee.	
Imposes appraiser qualification requirements upon temporary practitioners that exceed AQB Criteria.	<b>Change to read:</b> Imposes appraiser qualification requirements on temporary practitioners that exceed AQB Criteria for the credential held.
Requires temporary practitioners to obtain a certification or license in the State.	
Requires temporary practitioners to affiliate with an in-State appraiser.	
Refuses to register appraisers seeking temporary practice in a State that does not have a licensed or certified level credential.	
Delays the issuance of a written “letter of good standing” or similar document for more than 5 business days after request.	
Fail to take disciplinary action, if appropriate, when one of its appraisers is disciplined in another State.	<b>Under this sanction, the significance is elevated if “Ethics &amp; Fraud Issues.” Most States do not have the authority to cite fraud. Remove or reword this.</b>
	<b>Add:</b> Temporary Practice files are not well documented.

In addition, ASC staff recommends subgroup comments should be removed from each matrix.

## Suggested uses for ASC State Grant Funds

### [ASC staff comments in red]

Although not a specific charge to the Committee, we do make the following suggestions for use of ASC State grant money when it becomes available.

1. The current investigator training should be continued. Additional levels of training should be explored. The number of people entitled to attend the training should be based on the staff size of the State agency or the number of appraisers in the State. That way States with a large number of staff would be able to send more people to training sessions.

**Staff Comments:** Staff agrees with this suggestion.

**Timing:** TBD

2. It may not be advisable to give an unrestricted financial grant to a State agency. In many States, this could result in an equivalent reduction in current and even future State funding for the agency. If a financial grant were tied to a finding of “Poor” on a compliance review, this could result in States that were teetering between “Fair” and “Poor” rating to decide to pursue a “Poor” rating since it would result in an influx of funds. Some States do not need a financial grant as their funding is already adequate.

**Staff Comments:** Staff agrees with this suggestion.

**Timing:** N/A

3. One-time grants to States should be considered for assistance with acquiring technology (such as the SOAP system), for staff training, or for temporary staff to address a particular issue facing the State.

**Staff Comments:** Staff agrees with this suggestion.

**Timing:** TBD

4. Additional areas of live training should be explored. Although several Board members have attended the investigator training, it could be helpful to have a separate training session just for Board members. In addition, training for agency attorneys could assist those attorneys in understanding the regulatory system and USPAP. \*

**Staff Comments:** Staff agrees with this suggestion.

**Timing:** TBD

5. Online training should also be considered.\* Some possibilities are:
- a. A one or two hour online training program on the regulatory scheme that would be useful for new board and staff members, attorneys, appraisers, non-appraisers, and administrative law judges.
  - b. A more comprehensive online training program for new board members that also covers matters such as due process.
  - c. An online training program for administrative law judges regarding USPAP and other issues in disciplinary hearings.
  - d. Short online training programs for agency staff on areas such as temporary practice, reciprocity, using the extranet to upload data to the National Registry, the ASC website, etc.
  - e. Other online training programs that would be helpful for non-appraisers.
  - f. Online training program that would provide a basic understanding of the functions of an AMC.

**Staff Comments:** Staff agrees with this suggestion.

**Timing:** TBD

6. Other one-time grants designed to address issues discovered during compliance reviews or to address unforeseen circumstances facing a program, such as those resulting from a natural disaster.

**Staff Comments:** Staff agrees with this suggestion.

**Timing:** TBD

---

\*For any technology, training, or other uses of ASC grant funding, it is advisable to use a widely distributed Request for Proposal (RFP) process so that individuals or entities can express their interest, qualifications, resources, and cost regarding the topic or topics of such RFPs.

# **ATTACHMENT 1**

Key	Sanctions	Definitions
1	Warning	A letter that informs the State that its program is not conducting its business in compliance with Title XI and ASC Policy Statements.
2	Training - Board members	Requiring all sitting Board members to attend a workshop regarding a specific topic, usually the role of a State appraiser regulatory agency. May also include training in another topic such as USPAP.
3	Training - State Staff members	Requiring some or all State Board staff to attend a workshop regarding a specific topic, such as investigator training or USPAP.
4	Consultation with State authorities	ASC staff and possibly agency members contacting State officials such as the Governor's office or State legislative members. Contact may be in writing or in person.
5	Meeting with affected parties	ASC staff and possibly State agency members contacting parties such as State Banking Commissions and real estate broker/appraiser trade organizations.
6	Expedited review 6 mos - every year	Scheduling a Compliance Review or Follow-up Review before the usual two-year period. May be electronic.
7	Continuous Monitoring	Requiring reports on required or agreed-upon corrective actions on a monthly or quarterly basis. Additional monitoring may include on-site monitoring as well as off-site monitoring.
8	State use of matrix	Requiring the State to use the Matrix in determining sanctions for enforcement of appraiser complaints.
9	Interim removal of credential not to exceed 90 days	May be an individual credential or group of credentials within a State.
10	Removal of credential - individual appraiser	May be an individual credential or group of credentials within a State.
11	Interim derecognition of State appraisal program	Derecognizing some or all of the credentials to perform federally related transactions issued by the State. Also, no new credentials will be issued; no upgrades will be issued to specific credential(s); or no temporary practice permits will be issued.
12	Derecognition of State appraisal program	Removal of credentials from the National Registry issued by a State and not accepting any new credentials from that State. As a result, there would be no appraisals of property within that State that could be used for federally related transactions.

### Sanction Matrix - Recommendations from National Registry - Information Sharing Subgroup

Type of violation:		Minor 1st	Minor 2nd	Minor 3rd	Material 1st	Material 2nd	Material 3rd	Significant 1st	Significant 2nd	Significant 3rd	Severe 1st	Severe 2nd	Severe 3rd	Subgroup Comments
<b>National Registry (includes Information Sharing)</b>	<b>Policy Statement 3</b>													
Does not transmit a roster listing individuals who have received a State certification or license at least monthly.	3.A, 3.D							1, 3				3, 4	11*	*No new credentials issued.
Places non-AQB compliant appraisers on the Registry.	3.A							1, 3 (if appropriate)				3, 4	9, 10, 11	
For appraisers who choose not to be on the Registry, fails to place a notice on the pocket card.	3.A	1	1	1										
Does not have or enforce a policy to restrict access to submit information to the National Registry.	3.A				1, 3 (if appropriate)	6, 7						4		
Does not remit Registry fees in a timely fashion.	3.B							1 (3 warnings)				4	9	
Has not designated an Authorized Registry Official.	3.C	1	3	4										
Does not report the most serious disciplinary actions (i.e., voluntary surrenders, suspensions and revocations, or any action that interrupts a credential holder's ability to practice) within 5 business days after the action is final.	3.D										1,3,7	4,5	11*	No new credentials issued (any of the three: new, renewals, temporary practice)
Does not use the extranet program to report disciplinary action.	3.D				1	3	4							
Must report all disciplinary actions to the National Registry in 30 days.	3.D							3	4				11	
Using a federally recognized credential or designation that is not easily distinguished from federally recognized credentials.	1.E.				1	4,5	7							

### Sanction Matrix - Recommendations From Enforcement Subgroup

Type of violation:		Minor 1st	Minor 2nd	Minor 3rd	Material 1st	Material 2nd	Material 3rd	Significant 1st	Significant 2nd	Significant 3rd	Severe 1st	Severe 2nd	Severe 3rd	Subgroup Comments
<b>Enforcement</b>	<b>Policy Statement 7</b>													
Cases not resolved within 1 year with no special circumstances documented.	7.B				1, 2, 3				4,5	6,7				After discussion at October Meeting, moved from Significant 1,2,3 to Material 1, Significant 2, Significant 3.
Dismissal of case without consideration of merit.	7.B.1										4	7	11	
Persons analyzing complaints for USPAP compliance must be knowledgeable in USPAP.	7.B.2							2,3	4	7				After discussion at October Meeting, moved from Material to Significant.
Not analyzing to determine if additional violations should be added to the complaint.	7.B.2							1	4	7				After discussion at October Meeting, moved from Material to Significant.
Enforcement dispositions are not consistent.					1	2, 3, 7	8							
Enforcement dispositions are not appropriate and equitable.	7.B.2							2, 3	7	4, 8				
Complaint files are not well-documented and do not clearly show the status of the complaints.	7.B.3				1	2, 3	7							
Complaint log inadequate.	7.B.4							1	2, 3	7				
Complaint log missing.	7.B.4										4, 5	6, 7	11	

### Sanction Matrix - Recommendations From Temporary Practice Subgroup

Type of violation:		Minor 1st	Minor 2nd	Minor 3rd	Material 1st	Material 2nd	Material 3rd	Significant 1st	Significant 2nd	Significant 3rd	Severe 1st	Severe 2nd	Severe 3rd	Subgroup Comments
<b>Temporary Practice</b>	<b>Policy Statement 2</b>													
State does not have temporary practice system.	2.A										1	4, 5	12	Clearly essential requirement.
Does not use National Registry to verify status of applicant.	2.A													No sanctions due to no requirement.
Does not issue TPP on a temporary assignment basis.	2.B.1.a				1	2, 3	7							Easily cured by training.
Does not issue TPP within 5 business days.	2.B.1.b							1	2, 3	4, 5				Requires process & commitment.
TPP does not have actual date of issuance.	2.B.1.c				1	2, 3	7							Easily cured by training.
Does not take regulatory responsibility for a temporary practitioner's bad acts.	2.B.1.d							1	2, 3	2, 3				Difficult for TPP issuing state so sanction not severe.
Does not notify the appraiser's home State agency in the case of disciplinary action concerning a temporary practitioner.	2.B.1.e							1	2, 3	2, 3				Easily cured by training; monitoring will accomplish goal.
Does not allow at least one extension of TPP.	2.B.1.f							1	4, 5	7				Public pressure with State contact.
Limits the valid time period of a temporary practice permit to less than 6 months.	2.B.2.a							1	4, 5	7				Public pressure with State contact.
Limits an appraiser to one temporary practice permit per calendar year.	2.B.2.b							1	4, 5	7				Public pressure with State contact.
Charges a temporary practice permit fee exceeding \$250, including one extension fee.	2.B.2.c							1	4, 5	7				Public pressure with State contact.
Imposes appraiser qualification requirements upon temporary practitioners that exceed AQB Criteria.	2.B.2.d										1	4, 5	7, 11	Major item but should not stop commerce in State.
Requires temporary practitioners to obtain a certification or license in the State.	2.B.2.e										1	4, 5	7, 11	Major item but should not stop commerce in State.
Requires temporary practitioners to affiliate with an in-State appraiser.	2.B.2.f										1	4, 5	7, 11	Major item but should not stop commerce in State.
Refuses to register appraisers seeking temporary practice in a State that does not have a licensed or certified level credential.	2.B.2.g										1	4, 5	7, 11	Major item but should not stop commerce in State.
Delays the issuance of a written "letter of good standing" or similar document for more than 5 business days after request.	2.B.3.a							1	2, 3	4, 5				Requires process & commitment.
Fail to take disciplinary action, if appropriate, when one of its appraisers is disciplined in another State.	2.B.3.b							Competency & S.R. Issues 1	Competency & S.R. Issues 2, 3	Competency & S.R. Issues 4, 5	Ethics & Fraud Issues 1	Ethics & Fraud Issues 2, 3	Ethics & Fraud Issues 11, 12	Bifurcated into discipline areas per 2.B.3.b with Ethics & Fraud severe.