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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

## Overview of the Compliance Review Process

The Appraisal Subcommittee (ASC) performs an on-site Compliance Review (Review) of all State<sup>1</sup> appraiser regulatory programs (Program) on a two-year Review Cycle. If significant concerns are identified during a Review, a State may be placed on a one-year Review Cycle, or a Follow-up Review may be scheduled, usually within six to nine months.

Approximately 60 days before the scheduled date of the Review, ASC staff will contact the State to request specific material be submitted prior to the Review.<sup>2</sup> The State will also be provided with a questionnaire regarding the Program to complete and return with the requested materials. The material submitted by the State is reviewed by the Policy Managers assigned to the Review and ASC legal staff for consistency with Title XI and ASC Policy Statements. The lead Policy Manager will contact the State regarding specific files that must be made available at the on-site Review.

The on-site Review begins with an opening conference with State personnel to introduce ASC staff, inform State personnel about the ASC, and address the scope of the Review process. The conference also gives State personnel an opportunity to ask any questions. Policy Managers then begin their review of the previously requested files, as well as randomly selected files, to evaluate for consistency with requirements of Title XI and ASC Policy Statements.<sup>3</sup> The Policy Managers often ask follow-up questions of State staff during the Review to ensure accurate facts are gathered and to clarify any inconsistencies whenever possible. At the conclusion of the Review, an exit conference is held to provide State personnel the preliminary results of the Review.

Policy Managers regularly attend open State board<sup>4</sup> meetings as part of the on-site Review. This provides the opportunity for Policy Managers to observe State boards to evaluate their effectiveness in carrying out Title XI-related duties. Policy Managers may also inform board members about the ASC and our relationship with the States, and address, as appropriate, any areas of potential concern identified during the Review.

After the Review, the State will receive an ASC Staff Compliance Review Preliminary Findings Report and is given 60 days to respond. At the end of the 60-day period, or upon receipt of a response from the State, whichever occurs first, a draft ASC Compliance Review Report (Report) along with the State's response, if any, is presented to the ASC for discussion during a closed session. Generally, the ASC will take action to approve the Report during its next regularly scheduled open session. The approved Report containing the ASC's findings, recommendations, and any required remedial action will be sent to the State. The Report and transmittal letter are available to the public on the ASC's website at [www.asc.gov](http://www.asc.gov) under the Freedom of Information Act (FOIA).

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<sup>1</sup> "State" refers to the 50 States, the District of Columbia, and four territories (Commonwealth of Puerto Rico, Commonwealth of the Northern Mariana Islands, Guam, and United States Virgin Islands).

<sup>2</sup> This material includes, but is not limited to, the State's relevant statutes, administrative rules and regulations, board meeting minutes, complaint logs, temporary practice application log, sample application packets for each classification of appraiser, and a list of all approved educational courses.

<sup>3</sup> ASC staff will not disclose any confidential information such as Respondent, Applicant or Complainant names.

<sup>4</sup> State board may refer to committees or commissions, depending on the organization of the State's Program.