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Appraisal Subcommittee

Federal Financial Institutions Examination Council

May 21, 2015

Mr. Ken Lawson, Secretary
Office of the Secretary
Department of Business & Professional Regulation
Division of Real Estate
1940 North Monroe Street
Tallahassee, FL 32399-1000

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

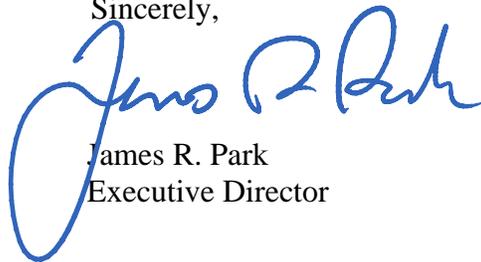
Dear Mr. Lawson:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Florida appraiser regulatory program (Program) on February 2-9, 2015, 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 Program has been awarded an ASC Finding of "Good." Areas of concern that were identified are being addressed by the Program. Florida will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) is attached.

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: Ms. Juana Watkins, Director, Division of Real Estate
Mr. Matthew Simmons, Real Estate Appraiser Board Chair
Ms. Beverly Ridenauer, Government Analyst

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 ¹	<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.

¹ 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 Compliance Review Report

ASC Finding: Good

Final Report Issue Date: May 21, 2015

Florida Appraiser Regulatory Program (State)

Florida Real Estate Appraisal Board (Board) / Decision Making

PM: J. Tidwell

ASC Compliance Review Date: February 2-9, 2015

Review Period: February 2013 to February 2015

Umbrella Agency: Department of Business and Professional Regulation (Department)

Number of State Credentialed Appraisers on National Registry: 6,198

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				
States must have a policy for issuing a reciprocal credential to an appraiser from another State under the conditions specified in Title XI. (12 U.S.C. § 3351; Policy Statement 5.)				Florida's Statute 475.631(1) does not comply with Title XI which requires a reciprocal credential be issued when the applicant holds a valid credential from a State whose program is in compliance with Title XI and whose credentialing requirements meet or exceed the requirements of the State where the application is made.	On April 30, 2015, the State reported that subsequent to the Compliance Review, legislation amending the statute to bring it into compliance with Title XI was approved and has been delivered to the Governor for signature.	Florida should continue the process to amend its statute to reflect what is being done in practice and provide the ASC staff with a copy of the final statute once signed.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 5.
Statutes, Regulations, Policies and Procedures:	X						
States must, at a minimum, adopt and/or implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.)				A review of the State's Regulations revealed that they have not been amended to incorporate the minimum AQB Criteria for supervisory and trainee appraisers or the January 1, 2015 changes to the Criteria. However, Florida Statute 475.615 contains an authorization for the Board to waive or modify any education, experience, or examination requirements established in order to conform with requirements established by the Appraiser Qualifications Board of the Appraisal Foundation or any successor body recognized by federal law. The Board and Department are currently enforcing the January 1, 2015 Criteria in practice, including the trainee and supervisory requirements, while they adopt amendments to the rules.	On April 30, 2015, the State reported Rule 61J1-4.010 of the Florida Administrative Code became effective April 15, 2015. This Rule incorporates the minimum AQB Criteria for supervisory and trainee appraisers. In addition, the State's April 30th response did not address amendments to the Regulations to comply with the January 1, 2015 changes to the Criteria. However, it appears the necessary amendments have been adopted.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 1.
Temporary Practice:	X						
				No compliance issues noted.	N/A	None	None
National Registry:	X						
				No compliance issues noted.	N/A	None	None

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Decision Making

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	YES	NO	AC				
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:			X	Florida's statutory authority is not consistent with federal requirements. However, in practice, it appears Florida complies with Title XI concerning reciprocity.	N/A	None	None
States must have a policy for issuing a reciprocal credential to an appraiser from another State under the conditions specified in Title XI. (12 U.S.C. § 3351; Policy Statement 5.)							
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:	X			No compliance issues noted.	N/A	None	None