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Appraisal Subcommittee

Federal Financial Institutions Examination Council

May 27, 2015

Mr. Clifford P. Cooks, Program Manager
Department of Consumer and Regulatory Affairs
1100 4th Street, SW – 500E
Washington, DC 20024

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

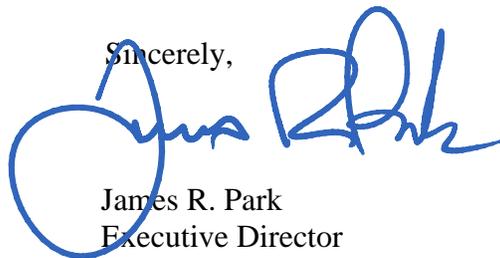
Dear Mr. Cooks:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the District of Columbia appraiser regulatory program (Program) on March 16-18, 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. The District of Columbia will remain 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: Mr. Leon Lewis, Program Manager
Ms. Patrice Richardson, Board Administrator

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 27, 2015

District of Columbia Appraiser Regulatory Program (State)

DC Board of Real Estate Appraisers (Board) / Decision Making PM: V. Metcalf ASC Compliance Review Date: March 16-18, 2015 Review Period: March 2013 to March 2015

Umbrella Agency: Department of Consumer and Regulatory Affairs Number of State Credentialed Appraisers on National Registry: 713 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 funding and staffing sufficient to carry out their Title XI-related duties. (12 U.S.C. § 3347; Policy Statement 1 B.)				District of Columbia does not appear to have sufficient resources to effectively resolve disciplinary matters referred for hearing. A complaint received by the Board in September 2010 was referred to the Office of Administrative Hearings and not heard by an Administrative Law Judge until January 30, 2012. A Final Order has not yet been entered.	On May 7, 2015, the District reported that it is exploring alternative adjudicatory processes to address this concern. The District also reported a Final Order was issued on March 19, 2015 and the case is closed.	The State should continue to explore ways to achieve and maintain the necessary resources or processes to effectively resolve disciplinary matters.	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				
States must submit all disciplinary actions to the ASC for inclusion on the National Registry. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 A, D, E.)				District of Columbia did not report any of the disciplinary actions taken by the Board during the Review Cycle to the ASC National Registry.	On May 7, 2015, the District stated that its failure to report disciplinary actions to the ASC was an oversight. In the future, the Executive Director will verify that staff enters the disciplinary actions. District staff added the 6 missing actions to the ASC National Registry.	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.
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:	X			No compliance issues noted.	N/A	None	None