

August 8, 2025

Via Email

Jodie Campbell, Board Administrator
Real Estate Appraiser Qualifications and Ethics Board
PO Box 1336
Bismarck, ND 58502-1336
JCcampbell@bis.midco.net

RE: ASC Compliance Review of North Dakota's Appraisal Management Company (AMC)
Regulatory Program

Dear Jodie Campbell:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the North Dakota AMC regulatory program (AMC Program) on May 20-22, 2025, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.¹

The ASC considered the preliminary results of the Review and the State's response to those results. The AMC Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) is attached.

The ASC identified the following areas of non-compliance:

- States must establish and maintain an AMC Program with the legal authority and mechanisms to review and approve or deny AMC initial registration applications and/or renewals for registration; and²
- States must enforce and document ownership limitations for State-registered AMCs.³

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. An area of concern that was identified is being addressed by the AMC Program. North Dakota will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) of the North Dakota AMC Program is attached.

¹ 12 U.S.C. §§ 3331-3356

² 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

³ 12 U.S.C. § 3353; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

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,



Regeane Frederique
Acting Executive Director

Attachment


cc: David Campbell, Board Administrator, DBCampbell@bis.midco.net


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**	<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.

**An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.

<div></div> <div>ASC State AMC Program Compliance Review Report</div>					ASC Finding: Good		
					Final Report Issue Date: August 8, 2025		
North Dakota AMC Regulatory Program (State)							
North Dakota Real Estate Appraiser Qualifications and Ethics Board		PM: A. Nespor		ASC Compliance Review Date: May 20-22, 2025		Review Period: April 2023 to April 2025	
Umbrella Agency: Independent			Number of AMCs on AMC Registry: 70			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 establish and maintain an AMC Program with the legal authority and mechanisms to review and approve or deny AMC initial registration applications and/or renewals for registration. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.)				Due to a semantic error, State statute exempts by panel size certain AMCs that are required to register with the State under other sections of the statute.	On August 4, 2025, the State reported they will consult with the ASC in amending statutes to ensure compliance.	The State must continue the process to amend its statutes to bring them into compliance, and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Statutes, Regulations, Policies and Procedures:		X					
States must enforce and document ownership limitations for State-registered AMCs. (12 U.S.C. § 3353; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.)				An amendment to State statute: 1) does not bar an AMC from registration if the license or certificate of the appraiser with an ownership interest was not revoked for a substantive cause and has not been reinstated by the jurisdiction in which the appraiser was licensed or certified; and 2) does not specifically require that substantive cause be determined by North Dakota.	On August 4, 2025, the State reported they will consult with the ASC in amending statutes to ensure compliance.	The State must continue the process to amend its statutes to bring them into compliance, and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.

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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 shall not require an appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency to register with a State. (12 U.S.C. § 3353(c); Policy Statement 8.)				The State's regulations require Federally regulated AMCs to report additional information that is not consistent with the AMC Rule. The forms used for Federally regulated AMCs do not require the additional information.	On August 4, 2025, the State reported they will consult with the ASC in amending rules and regulations to ensure compliance.	The State should continue the process to amend its rules and regulations to bring them into compliance, and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry:	X						
				No compliance issues noted.	N/A	None	None
Enforcement:	X						
				No compliance issues noted.	N/A	None	None