

January 23, 2026

**Via Email**

Jennifer Clawson, Assistant Director  
Business & Professions Division  
Washington State Department of Licensing  
Real Estate Appraiser Section  
PO Box 3917  
Seattle, WA 98124-3917  
[JClawson@dol.wa.gov](mailto:JClawson@dol.wa.gov)

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

Dear Jennifer Clawson:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Washington AMC regulatory program (AMC Program) on August 5-7, 2025, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.<sup>1</sup>

The ASC considered the preliminary results of the Review and the State's response to those results. The AMC Program is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the Washington AMC Program is attached.

The ASC identified the following areas of non-compliance:

- States must ensure the accuracy of all data submitted to the AMC Registry;<sup>2</sup>
- States must ensure that staff authorization information provided to the ASC is updated and accurate;<sup>3</sup>
- States must impose requirements on State-registered AMCs to provide written notice when removing appraisers from the appraiser panel consistent with the AMC Rule;<sup>4</sup>
- States must enforce and document ownership limitations for State-registered AMCs;<sup>5</sup> and

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<sup>1</sup> 12 U.S.C. §§ 3331-3356.

<sup>2</sup> 12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 9.

<sup>3</sup> 12 U.S.C. § 3347; Policy Statement 3 A, C.

<sup>4</sup> 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.

<sup>5</sup> 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.

- States must designate a senior official as the State's Authorized Registry Official and inform the ASC, in writing, of their designee and any individual(s) authorized to act on their behalf.<sup>6</sup>

The ASC believes the State's proactive responses to the Preliminary Compliance Review Report demonstrate a serious intent to correct the areas of noncompliance identified. ASC staff will confirm appropriate corrective actions have been taken through off-site monitoring and during the next Review. The ASC appreciates the efforts made by the Business & Professions Division within the Washington State Department of Licensing to pay its overdue National Registry invoices in full, as of the date of the review. Washington will remain on a two-year Review Cycle.

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,



Luke H. Brown  
Acting Chair

Attachment

cc: Katherine McDaniel, Administrator, Operational Support Services,  
[KMcdaniel@dol.wa.gov](mailto:KMcdaniel@dol.wa.gov)  
Bill Dutra, Administrator, Policy & Outreach, [BDutra@dol.wa.gov](mailto:BDutra@dol.wa.gov)  
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<sup>6</sup> 12 U.S.C. § 3347; Policy Statement 3 A.

## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> <li>State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>State maintains a strong regulatory Program</li> <li>Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>Deficiencies are minor in nature</li> <li>State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>State maintains an effective regulatory Program</li> <li>Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>State regulatory Program needs improvement</li> <li>Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>State regulatory Program has substantial deficiencies</li> <li>Substantial risk of Program failure</li> </ul>	1-year
Poor**	<ul style="list-style-type: none"> <li>State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>High risk of Program failure</li> </ul>	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.



## ASC State AMC Program Compliance Review Report

ASC Finding: Needs Improvement

Final Report Issue Date: January 23, 2026

### Washington AMC Regulatory Program (State)

Real Estate Appraiser Commission		PM: M. Brown		ASC Compliance Review Date: August 05-07, 2025		Review Period: August 2023 to July 2025
Umbrella Agency: Washington State Department of Licensing			Number of AMCs on AMC Registry: 115		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 impose requirements on State-registered AMCs to provide written notice when removing appraisers from the appraiser panel consistent with the AMC Rule. (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.)			The State allows an AMC to remove an appraiser from its panel, without notice, within the first 30 days after the appraiser is first added to the panel, when there is no such grace period in the AMC Rule. This concern was also identified in the 2023 Compliance Review Report.	On September 9, 2025, the State reported that an agency proposed statutory amendment has been prepared and submitted for consideration during the 2026 legislative session.	The State must continue the process to amend its statute to bring it 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 Continued:		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.)			The State's AMC eligibility form does not provide the State the opportunity to determine substantive cause. The State also failed to enforce ownership limitations on renewing AMCs by not determining good moral character of owners of more than 10%.	On September 9, 2025, the State reported that it is exploring options to revise the eligibility screening questions to ensure compliance with federal requirements while maintaining consistency with enterprise-wide screening standards.	The State must continue the process to update the questions on its AMC eligibility form to determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the National Registry 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				
<b>National Registry:</b>  States must designate a senior official as the State's Authorized Registry Official and inform the ASC, in writing, of their designee and any individual(s) authorized to act on their behalf. (12 U.S.C. § 3347; Policy Statement 3 A.)		X		The State failed to notify the ASC to update their Authorized Registry Official.	On September 9, 2025, the State reported that recent organizational changes led to difficulties in updating the Authorized Registry Official.  At the same time, the State reported that processes have since been established to ensure timely and accurate reporting.	The State must monitor its process to ensure it designates a senior official as the State's Authorized Registry Official and informs the ASC, in writing, of their designee and any individual authorized to act on their behalf.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
<b>National Registry Continued:</b>  States must ensure that staff authorization information provided to the ASC is updated and accurate. (12 U.S.C. § 3347; Policy Statement 3 A, C.)		X		The State failed to notify the ASC to deactivate 2 individual's Registry access.	On September 9, 2025, the State reported that its system automatically updates the information.  At the same time, the State reported to ensure accuracy it will conduct periodic audits through report reviews.	Because this process cannot currently be automated through the National Registry, the State must ensure that staff authorization information provided to the ASC is updated and accurate.	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	
		YES	NO	AC			
National Registry Continued:		X					
States must ensure the accuracy of all data submitted to the AMC Registry. (12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 9.)				Of the 115 State registered AMCs, 10 were not reported to the National Registry, 2 AMC names were inaccurate, and 1 AMC registration number was incorrect.	On September 9, 2025, the State reported that the frequency of generating its licensing reports used to update the National Registry on a monthly basis has not been sufficient in capturing all AMC activity.  At the same time, the State reported that staff have been trained on new procedures to run reports more frequently and conduct self audits to ensure information is entered accurately and in a timely manner.	The State must monitor its new procedures to ensure the accuracy of all data submitted to the National Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Enforcement:		X					
				No compliance issues noted.	N/A	None	None