

ASC Policy for the Appraisal Complaint National Hotline

December 2012

Purpose

To set forth the ASC's policy and related standards for establishing and operating an Appraisal Complaint National Hotline (Hotline) as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

Statutory Authority

Title XI¹, as amended by section 1473(p) of the Dodd-Frank Act, requires the ASC to take the following actions regarding a Hotline:

- *“If 6 months after the date of the enactment of this subsection, the Appraisal Subcommittee determines that no national hotline exists to receive complaints of non-compliance with appraisal independence standards and Uniform Standards of Professional Appraisal Practice, including complaints from appraisers, individuals, or other entities concerning the improper influencing or attempted improper influencing of appraisers or the appraisal process, the Appraisal Subcommittee shall establish and operate such a national hotline, which shall include a toll free telephone number and an email address.”*
- *“If the Appraisal Subcommittee operates such a national hotline, the Appraisal Subcommittee shall refer complaints for further action to appropriate governmental bodies, including a State appraiser certifying and licensing agency, a financial institution regulator, or other appropriate legal authorities.”*
- *“For complaints referred to State appraiser certifying and licensing agencies or to Federal regulators, the Appraisal Subcommittee shall have the authority to follow up such complaint referrals in order to determine the status of the resolution of the complaint.”*

Background

On January 28, 2011, the ASC published a notice in the *Federal Register* stating that it had determined that a Hotline, as prescribed in the Dodd-Frank Act, was not currently in operation. The ASC developed this policy and standards for establishing and operating the Hotline in compliance with the Dodd-Frank Act.

In November 2011, the ASC board approved a three-phased implementation plan for the Hotline, which balanced both establishing a Hotline as soon as practicable and making longer-term operational enhancements as needed. These progressive phases consist of the following: *Initial Establishment* (Phase 1), *Analysis* (Phase 2), and *Contracting or Maintenance* (Phase 3).²

¹ Title XI § 1122 (i), 12 U.S.C. 3351.

² See memorandum, *Staff Recommendation for the Establishment and Operation of the Appraisal Complaint National Hotline*, dated November 14, 2011.

Policy

The ASC shall apply the following standards for establishing and operating the Hotline:

- Accessibility: The ASC shall provide complainants with access to the Hotline through the following multiple channels: toll free telephone number **To Be Determined**; e-mail address **To Be Determined** and Hotline website **To Be Determined**. The call center will be available during normal business hours: Monday-Friday. The call center will be closed weekends and Federal holidays.
- Complainant Experience: Hotline staff and related operations shall ensure that complainants³ are efficiently referred to the appropriate Federal and/or State agency for complaint processing of both consumer protection related and safety and soundness concerns. Referrals at the Federal level will be made to a single Federal intake agency in accordance with the Implementation Plan, thereby referring complainants to the minimum number of agencies necessary. The ASC will request that Federal intake agencies provide each complainant with a written acknowledgement within 48 hours of receiving a substantially complete complaint.
- Complaint Referral: Hotline staff shall coordinate with the ASC member agencies⁴ (Agencies) to ensure that complainants are referred to the most appropriate Federal and/or State agencies.
- Tracking and Monitoring: Hotline staff shall develop criterion and mechanisms for measuring Hotline activity and related referrals, and coordinate with the Agencies for reporting back to the ASC referral information on: (1) who is filing the complaint; (2) who the complaint is against; (3) the nature of the complaint; and (4) the status of the complaint.
- Data Management and Security: The ASC shall establish protocols and procedures to ensure that data requested, collected, or retained from complainants, including personally identifiable information (PII) or sensitive information, is secure from unauthorized access or use. The ASC's handling of Hotline information shall comply with the Privacy Act and the Paperwork Reduction Act.
- Cost Effectiveness: The ASC shall ensure that the Hotline operates using the most cost effective alternative available. To that end, the ASC Executive Director shall prepare a comprehensive cost-benefit analysis to be used during Phase 3 that explores all viable internal and external options, including potential operation by another Federal agency.
- Implementation Plan: The ASC Executive Director shall keep the Implementation Plan for the ASC Hotline up to date in all material respects and periodically provide the ASC board members with an updated plan that includes significant or noteworthy changes.
- Annual Report: No less than annually, the ASC Executive Director shall provide a written report to the ASC board members on Hotline operations and effectiveness, including a

³ See attached memorandum dated October 26, 2012, to the Executive Director from General Counsel concerning referral of "complainants" to the appropriate agency/agencies for further action.

⁴ The ASC member agencies consist of the Board of Governors of the Federal Reserve System (FRB), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), Office of the Comptroller of the Currency (OCC), Consumer Financial Protection Bureau (CFPB), Federal Housing Finance Agency (FHFA), and U.S. Department of Housing and Urban Development (HUD).

summary of the level and trends in the number, type, and status of complaints referred to the Agencies.