



AARO *Spring Conference* 2016

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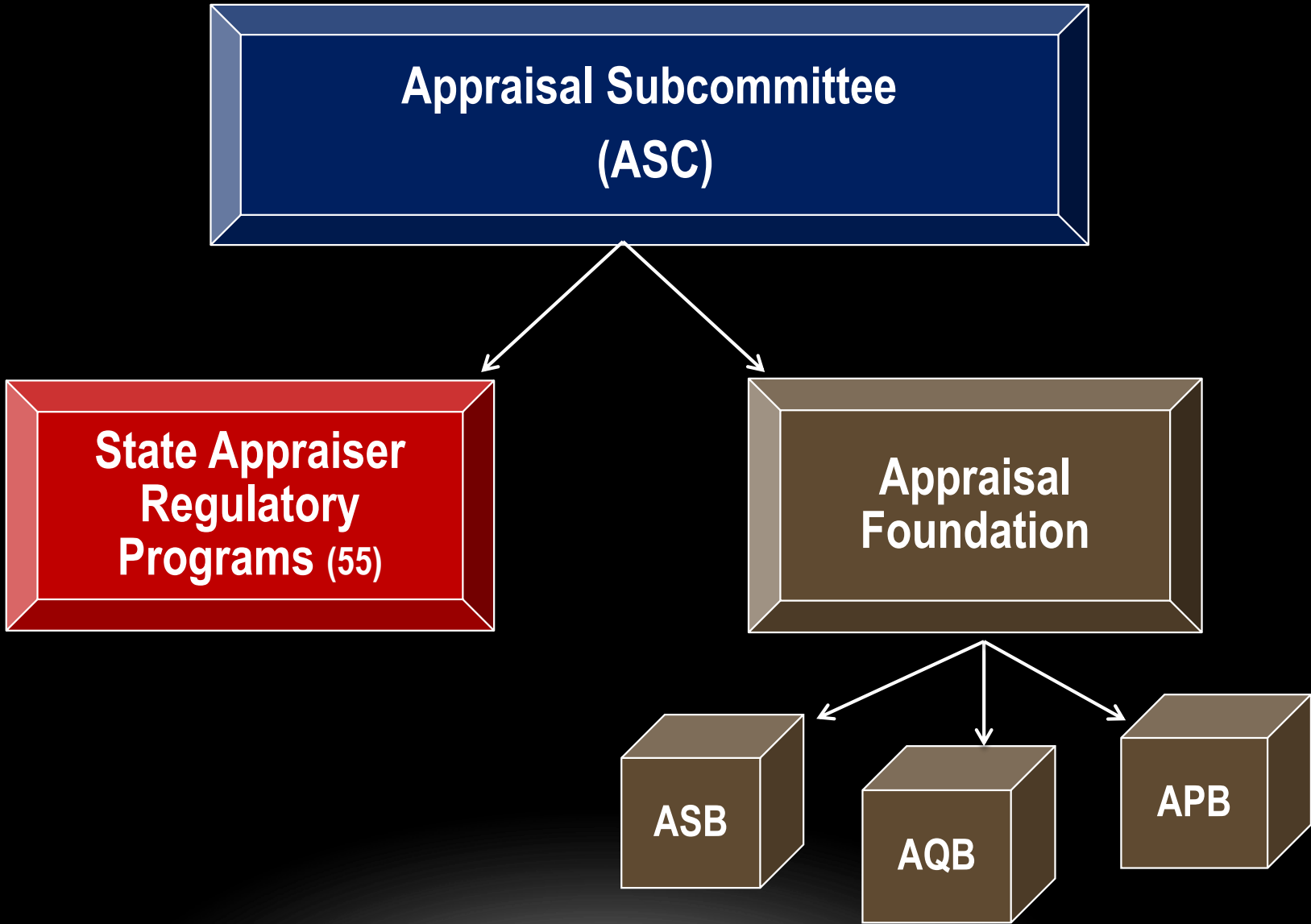
ASC MEMBER AGENCIES



Consumer Financial
Protection Bureau

Title XI: Real Estate Appraisal Reform

- **ASC Oversight of State Appraisal & AMC Programs**
- **ASC Monitoring & Review of Appraisal Foundation**
- **ASC Maintains National Registries (Appraiser/AMC)**
- **ASC Grant to the Appraisal Foundation**
- **ASC Grants to State Programs**



ASC COMPLIANCE REVIEWS

- **Monitor for Title XI compliance, including State requirements for –**
 - **certification and licensing of appraisers**
 - **registration and supervision of AMCs**

State Appraisal
Regulatory
Programs
reviewed at least
once every 2
years



- Guam
- N. Mariana Islands
- Virgin Islands
- Puerto Rico

CURRENT STATE RATINGS

| | |
|--------------------------|-----------|
| Excellent | 10 |
| Good | 31 |
| Needs Improvement | 14 |
| Not Satisfactory | 0 |
| Poor | 0 |

EXCELLENT!



GEORGIA

Areas of Non-Compliance

| Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|------|------|------|------|------|------|
| # States Reviewed | 26 | 27 | 27 | 30 | 26 | 30 |
| Requirement/Guidance Areas | | | | | | |
| Statutes, Regulations, Policies and Procedures: | 2 | 4 | 6 | 14 | 25 | 12 |
| Temporary Practice: | 0 | 0 | 2 | 2 | 2 | 1 |
| National Registry: | 0 | 0 | 0 | 0 | 1 | 0 |
| Application Process: | 4 | 2 | 6 | 9 | 6 | 10 |
| Reciprocity: | 0 | 0 | 0 | 0 | 1 | 0 |
| Education: | 2 | 0 | 6 | 4 | 4 | 0 |
| Enforcement: | 19 | 18 | 23 | 10 | 9 | 3 |

STATE APPRAISER DISCIPLINARY ACTIONS

January 1, 2006 – December 31, 2015

- Revocations – 1704
- Suspensions – 2214
- Surrenders in lieu of discipline - 887

NATIONAL REGISTRY : WWW.ASC.GOV

- In order to be eligible to perform appraisals for federally related transactions:
 - Appraisers must be in active status on the National Registry



WHAT IS AN FRT?

- Title XI of FIRREA defines a real estate-related financial transaction as “any transaction involving –
 - (A) the sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof;
 - (B) the refinancing of real property or interests in real property;
 - (C) the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.”

WHAT IS AN FRT?

- Title XI of FIRREA also defines federally related transaction as “any real estate-related financial transaction which –
 - (A) a federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates; and
 - (B) requires the services of an appraiser.”

Federally related transactions, therefore, comprise a subset of real estate-related financial transactions.

WHAT IS AN FRT?

- Further, under the Appraisal Regulations, an appraisal is not required for a real estate-related financial transaction that “either –
 - (i) qualifies for sale to a United States Government agency or United States government-sponsored agency; or
 - (ii) involves a residential real estate transaction in which the appraisal conforms to the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation appraisal standards applicable to that category of real estate.” As no appraisal is required for such transactions under the Appraisal Regulations, they are not considered federally-related transactions.

APPRAISER CREDENTIALS

- 97,500 credentials
 - 39,200 certified general
 - 50,000 certified residential
 - 8,300 licensed
- Trainees
 - 9,000 – 10,000 trainees

UNIQUE IDENTIFICATION NUMBER

1. Eliminate the Transmission of Personally Identifiable Information (PII)
2. Increase the Continuity of Data Found on the National Registry
3. Improve Information Sharing between all Users of the National Registry

UNIQUE IDENTIFICATION NUMBER

Next steps

1. Develop application and interface (completed)
2. State testing (in process)
3. Roughly 6-12 mos. voluntary adoption period
4. Initiate rulemaking if needed (2017)
5. Potentially publish

ASC RULEMAKING

Current

- Notice of Proposed Rulemaking AMC Registry Fees

Future

- Enforcement
- Unique ID

OTHER FEDERAL REGULATORY ACTIVITY

- AVM QC requirements
- Appraisal review
- \$250,000 threshold



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