AARO
Spring Conference
2016

Jim Park, Executive Director

This presentation may include opinions expressed by the speaker that do not necessarily represent the views or opinions of the ASC or its member agencies.
ASC MEMBER AGENCIES

- US Department of Housing and Urban Development
- Federal Deposit Insurance Corporation
- Federal Housing Finance Agency
- National Credit Union Administration
- Board of Governors of the Federal Reserve System
- Comptroller of the Currency
- 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

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<td>Needs Improvement</td>
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EXCELLENT!

KANSAS

GEORGIA
### Areas of Non-Compliance

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STATE APPRAISER DISCIPLINARY ACTIONS

January 1, 2006 – December 31, 2015

- Revocations – 1704
- Suspensions – 2214
- Surrenders in lieu of discipline - 887
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
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
My contact info:
202.595.7575
jim@asc.gov