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Appraisal Subcommittee

Federal Financial Institutions Examination Council

June 13, 2012

Mr. William L. Rogers Jr., Commissioner
Georgia Real Estate Appraisers Board
Suite 1000 – International Tower
229 Peachtree Street NE
Atlanta GA 30303-1605

RE: ASC Compliance Review of Georgia's appraiser regulatory program

Dear Mr. Rogers:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Georgia appraiser regulatory program (Program) on February 13-15, 2012. This is the final ASC Compliance Review Report (Report) on that Review.

The ASC has considered the preliminary findings regarding the Review and the State's response. Although the attached Report references areas of concern, the ASC has determined the Program is in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended. Georgia will remain on a two-year Review Cycle.

This letter and the attached Report are public record and available on the ASC website in accordance with the Freedom of Information Act.

Please contact us if you have any questions.

Sincerely,



Peter Gillispie
Chairman

Attachment

cc: Mr. Craig Coffee, Deputy Real Estate Commissioner

ASC Compliance Review Report

ASC Finding: In Substantial Compliance
Final Report Issue Date: June 13, 2012

Georgia Appraiser Regulatory Program (Program)

Georgia Real Estate Appraisers Board (Board) / Decision Making	PM: N. Fenochietti	ASC Compliance Review Date: February 13-15, 2012	Review Period: June 2010 to February 2012
Umbrella Agency: Georgia Real Estate Commission (Commission)		Number of State Credentialed Appraisers on National Registry: 3995	Review Cycle: Two years

Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
			X					
Georgia Statutes, Regulations, Policies and Procedures:			X					
States must adopt and/or implement all relevant AQB Real Property Appraiser Qualification Criteria. (Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria.)				Appraiser Qualifications Board (AQB) Real Property Appraiser Qualification Criteria (AQB Criteria) does not allow States to grant appraiser qualifying education (QE) credit for teaching a QE course. Rule 539-2-.01(2) allows teachers of QE to use the courses taught for QE credit.	On May 4, 2012, the Board reported to ASC staff that a Notice of Intent to repeal Rule 539-2-.01 has been posted for the June 2012 Board meeting.	None	To strengthen the Program, Georgia should continue the process of amending its regulations to reflect what is required in practice and in AQB Criteria.	Upon adoption, please provide ASC staff with copies of the adopted regulation changes.
Temporary Practice:			X					
States should rely on the National Registry to verify credential history on applicants for temporary practice. (Title XI § 1118, 12 U.S.C. 3347; ASC Policy Statement 5.)				Temporary practice permit files did not contain evidence of consistent use of the National Registry for verification of an applicant's credential history in other States.	On May 4, 2012, the Board reported to ASC staff that the Board staff implemented revised procedures for temporary practice permit processing to ensure that the National Registry is consistently used to verify an applicant's credential history.	None	To strengthen the Program, the Board and Commission should monitor the new procedures for temporary practice permit processing to ensure compliance with Title XI and ASC Policy Statement 5.	During the next Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 5.

ASC Compliance Review Report

ASC Finding: In Substantial Compliance
Final Report Issue Date: June 13, 20122

Georgia Appraiser Regulatory Program (Program)

Georgia Real Estate Appraisers Board (Board) / Decision Making	PM: N. Fenochietti	ASC Compliance Review Date: February 13-15, 2012	Review Period: June 2010 to February 2012
Umbrella Agency: Georgia Real Estate Commission (Commission)		Number of State Credentialed Appraisers on National Registry: 3995	Review Cycle: Two years

Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
National Registry:	X							
States must submit all disciplinary actions to the ASC for inclusion on the National Registry. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 9A.)				<p>ASC staff determined the Board had not reported all disciplinary actions for inclusion on the National Registry. Georgia has two categories of discipline: sanctions and citations. Both may include fines and education requirements, and both are considered discipline by the State. However, sanctions are publicly posted and citations are not.</p> <p>On May 22, 2012, ASC staff verified that all citations appear to have been submitted for inclusion on the National Registry.</p>	<p>On May 4, 2012, the Board reported to ASC staff that all discipline including citations are now being reported to the ASC for inclusion on the private side of the National Registry.</p> <p>On May 22, 2012, the Board reported by email that all citations issued in the past have also been reported to the ASC by data submission.</p>	None	To strengthen the Program, the Board should continue to ensure that all discipline is reported to the ASC for inclusion on the National Registry.	During the next Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 9A.
Application Process:	X			No compliance issues noted.	N/A	None	None	None
Reciprocity:			X					
States are encouraged to develop reciprocity agreements that readily authorize appraisers who are licensed or certified in one State (and who are in good standing with their State appraiser regulatory agency) to perform appraisals in other States. (Title XI § 1122 (b), 12 U.S.C. 3351; ASC Policy Statement 6.)				Reciprocal application files did not contain evidence of consistent use of the National Registry for verification of an applicant's credential history.	On May 4, 2012, the Board reported to ASC staff that they have implemented a revised procedures for reciprocal application processing to ensure that the National Registry is consistently used to verify an applicant's credential history.	None	To strengthen the Program, Board and Commission staff should monitor the new procedures for reciprocal application processing to ensure compliance with Title XI and ASC Policy Statement 6.	During the next Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 6.
Education:	X			No compliance issues noted.	N/A	None	None	None

ASC Compliance Review Report

ASC Finding: In Substantial Compliance

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Georgia Appraiser Regulatory Program (Program)

Georgia Real Estate Appraisers Board (Board) /
Decision Making

PM: N. Fenochietti

ASC Compliance Review Date: February 13-15, 2012

Review Period: June 2010 to February 2012

Umbrella Agency: Georgia Real Estate Commission (Commission)

Number of State Credentialed Appraisers on National Registry:
3995

Review Cycle: Two years

Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Enforcement:			X					
States should resolve all complaints filed against appraisers within one year, except for special documented circumstances. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.)				<p>Georgia had 368 outstanding complaints of which 54 were unresolved for more than one year. None of the complaints outstanding for more than one year fall under the exception for special documented circumstances. None of the aged complaints are pending investigation.</p> <p>Since the June 2010 Compliance Review, two additional investigators have been added. As a result, investigations are being completed more quickly. However, a backlog has been created in the attorneys' offices as a result of more complaints being sent to the Office of the Attorney General and a private law firm known as the "Special Attorney General" for legal action.</p>	<p>On May 4, 2012, the Board reported to ASC staff that 19 of the 54 aged complaints have been resolved and that the Board's attorneys are working diligently to resolve the remaining aged complaints.</p> <p>On May 22, 2012, the Board provided ASC staff with an updated complaint log. The log shows that the number of complaints outstanding for more than one year is 35 (7%).</p>	None	To strengthen the Program, the Board should continue to employ ways to process complaints of appraiser misconduct or wrongdoing in a timely manner to ensure compliance with ASC Policy Statement 10E.	During the next Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 10E.