

**MEETING AGENDA****AMC Advisory Committee**

TALCB Headquarters Office

4th Floor, Stephen F. Austin State Office Building

1700 North Congress, Austin, Texas 78701

Friday, April 24, 2015, 1:30 p.m.

1. Call to order
2. SES report on AMC complaint cases
3. ELS report on AMC registrations
4. Discussion and possible action regarding the definition of "review" and scope of work in Rule 159.155
5. Discussion and possible action regarding suggested revisions to AMC application and renewal forms
6. Discussion and possible action regarding AMC penalty matrix
7. Discussion and possible action regarding audits of AMCs regarding compliance with certain statutory and rule requirements
8. Review of AMC Committee action items
9. Discussion regarding agenda items for future meetings
10. Discussion regarding future meetings dates
11. Adjourn



TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

DOUGLAS E. OLDMIXON, COMMISSIONER

April 10, 2015

AMC COMPLAINTS

Respondent (AMC)	Date Received	Disposition	Disposition Date	Complainant	Complaint Source	Complaint No.
2015						
STREETLINKS LLC	3/6/2015	Pending	Pending	SMITH KEVIN DALE	Appraiser	2015-174
2014						
NOVO APPRAISAL MANAGEMENT CORPO	8/18/2014	Pending	Pending	TALCB	Staff Initiated	2014-296
RESIDENTIAL REALESTATE REVIEW, INC.	10/27/2014	Dismissed by Commissioner w/warning	3/19/2015	TALCB	Staff Initiated	2015-058
TITLE SOURCE LLC	8/19/2014	Dismissed by Commissioner	2/13/2015	BOYTER STUART LEE	Consumer	2015-024
LENDERVEND, LLC	4/21/2014	Dismissed by Commissioner	2/17/2015	TALCB	Staff Initiated	2014-191
RELS LLC	7/21/2014	Dismissed by Commissioner	12/4/2014	OSTROWICKI NICHOLAS	Consumer	2014-264
STREETLINKS, LLC	3/28/2014	Dismissed by Commissioner	6/5/2014	TALCB	Staff Initiated	2014-169
MURCOR, INC.	2/19/2014	Contingent Dismissal	9/2/2014	TALCB	Staff Initiated	2014-132
LANDAVALUE, LLC	2/3/2014	Dismissed by Commissioner w/warning	7/7/2014	WALLACE RUSSELL RAY	Appraiser	2014-119
2013						
LANDAVALUE LLC	11/8/2013	Disciplinary Action (Revocation)	5/21/2014	TALCB	Staff Initiated	2014-064
LANDAVALUE LLC	10/9/2013	Disciplinary Action (Revocation)	5/21/2014	TALCB	Staff Initiated	2014-039
FIRST VALUATION SERVICES LLC	11/8/2013	Dismissed by Commissioner	2/21/2014	ALDRIDGE DAVID EDWARD	Appraiser	2014-067
STREETLINKS LLC	7/3/2013	Dismissed by Commissioner	12/16/2013	LYSSY MATT	Consumer	2013-266
STREETLINKS LLC	6/18/2013	Dismissed by Commissioner	8/15/2013	AVILES ANDREW	Consumer	2013-248
2012						
ES APPRAISAL SERVICES LLC	12/27/2012	Disciplinary Action (Revocation)	7/10/2013	JONES ROBERT RANDELL	Appraiser	2013-114
VALUATION PARTNERS	11/29/2012	Dismissed by Commissioner w/warning	1/22/2013	DURHAM RONALD DWAYNE	Appraiser	2013-096
JVI APPRAISAL DIVISION LLC	11/14/2012	Dismissed by Commissioner	4/29/2013	ALDRIDGE DAVID EDWARD	Appraiser	2013-086
JVI APPRAISAL DIVISION LLC	11/9/2012	Dismissed by Commissioner	4/29/2013	BORING JOHN MATTHEW	Appraiser	2013-084
JVI APPRAISAL DIVISION LLC	11/7/2012	Dismissed by Commissioner	4/29/2013	LEAL LAURO	Appraiser	2013-083
JVI APPRAISAL DIVISION LLC	10/23/2012	Dismissed by Commissioner	4/29/2013	TOLOPKA MICHAEL ANTHONY	Appraiser	2013-072
JVI APPRAISAL DIVISION LLC	10/22/2012	Dismissed by Commissioner	4/29/2013	MCINTURFF DAVID CHARLES	Appraiser	2013-067
JVI APPRAISAL DIVISION LLC	10/22/2012	Dismissed by Commissioner	4/29/2013	MARLOW BRIAN JAMES	Appraiser	2013-061
JVI APPRAISAL DIVISION LLC	10/22/2012	Dismissed by Commissioner	4/29/2013	SORGE GREGORY KENT	Appraiser	2013-070
JVI APPRAISAL DIVISION LLC	10/22/2012	Dismissed by Commissioner	4/29/2013	FREESE KEN MITCHEL	Appraiser	2013-071
LESTER MICHAEL LANCE	10/19/2012	Dismissed by Commissioner	1/22/2013	MCCOY KLINT	Consumer	2013-056
JORDAN REAL ESTATE GROUP INC	10/1/2012	Dismissed by Commissioner w/warning	8/1/2013	KREAMER MARK	Consumer	2013-044
JVI APPRAISAL DIVISION LLC	9/27/2012	Dismissed by Commissioner	4/18/2013	WATSON DEBORAH LOYCE	Appraiser	2013-028

RELS	9/27/2012	Dismissed by Commissioner	11/29/2012	GARZA ROBERT LEE	Other	2013-032
JVI APPRAISAL DIVISION LLC	9/18/2012	Dismissed by Commissioner	4/29/2013	MOFFITT MICHAEL LOUIS	Appraiser	2013-026
JVI APPRAISAL DIVISION LLC	8/2/2012	Disciplinary Action (Revocation)	4/8/2013	STREEP WILLIAM CLOKE	Appraiser	2012-302

**APPRAISAL MANAGEMENT COMPANY REGISTRATIONS
MARCH 2015**

AGENDA ITEM 3

	Month	Paper Apps. Received	Online Apps. Received	Total Apps. Received	Total AMC Registrations Issued	Total AMC Renewals Issued
FY-2012	Mar-12	18	4	22	0	
	Apr-12	16	5	21	0	
	May-12	25	16	41	44	
	Jun-12	53	14	67	65	
	Jul-12	13	6	19	53	
	Aug. 12	5	1	6	7	
FY- 2013	Sep-12	0	1	1	3	
	Oct-12	0	3	3	5	
	Nov-12	2	1	3	2	
	Dec-12	1	2	3	4	
	Jan-13	0	0	0	2	
	Feb-13	1	0	1	0	
	Mar-13	0	0	0	0	
	Apr-13	1	1	2	0	
	May-13	0	0	0	1	
	Jun-13	0	1	1	4	
	Jul-13	0	1	1	1	
	Aug-13	1	1	2	1	
FY- 2014	Sep-13	0	3	3	2	
	Oct-13	0	1	1	2	
	Nov-13	0	0	0	0	
	Dec-13	0	1	1	0	0
	Jan-14	0	0	0	1	1
	Feb-14	0	0	0	0	5
	Mar-14	0	2	2	2	9
	Apr-14	1	0	1	2	18
	May-14	1	1	2	0	28
	Jun-14	1	1	2	4	38
	Jul-14	0	0	0	0	24
	Aug-14	0	0	0	0	15
FY- 2015	Sep-14	1	1	2	1	4
	Oct-14	0	0	0	1	2
	Nov-14	1	1	2	2	2
	Dec-14	3	1	4	1	0
	Jan-15	3	0	3	1	1
	Feb-15	0	0	0	5	1
	Mar-15	1	0	1	0	0
TOTALS		148	69	217	216	148

Registrations Surrendered in February '13	-3
Registrations Revoked in March '13	-1
Registrations Surrendered in July '13	-1
Registrations Revoked in July '13	-1
Registrations Surrendered in September '13	-1
Registrations Surrendered in February '14	-1
Registrations Surrendered in March '14	-1
Registrations Revoked in May '14	-1
Registrations Surrendered in June '14	-1
Registrations Surrendered in February '15	-2

TOTAL AMC REGISTRATIONS

203

CHAPTER 159 RULES RELATING TO THE PROVISIONS OF THE TEXAS APPRAISAL MANAGEMENT COMPANY REGISTRATION AND REGULATION ACT

§159.155 Periodic Review of Appraisals

(a) A license holder must review the work of appraisers performing appraisal services on 1-4 family unit properties collateralizing mortgage obligations by performing a review in accordance with Standard 3 of USPAP of:

(1) one of the first five appraisals performed for the license holder by each appraiser, prior to making a sixth assignment; and

(2) a total of five percent, randomly selected, of the appraisals performed for the AMC for each twelve-month period following the date of the AMC's registration.

(b) Appraisals performed pursuant to subsection (a)(1) of this section will be counted toward the calculation of five percent for the purposes of subsection (a)(2) of this section.

(c) A review pursuant to subsection (a)(1) of this section is not required if the first five appraisals by an appraiser were completed before the AMC was required by the AMC Act, to be registered with the Board.

(d) In addition to satisfying the requirements of §1104.153 of the AMC Act, the review appraiser must have access to appropriate data sources for the appraisal being reviewed.

(e) A certified residential appraiser may perform a review of a residential real estate appraisal completed by a certified general appraiser if the review appraiser is otherwise permitted by the Texas Appraiser Licensing and Certification Act to perform the assignment.

(f) An appraiser conducting a review under §1104.155 of the AMC Act and this rule must ensure compliance with the USPAP and with §1104.154 of the AMC Act.

(g) In order to satisfy the requirements of §1104.155 of the AMC Act, this rule and USPAP, a license holder performing a review must adhere to the following minimum scope of work:

(1) research and consult the appropriate data sources for the appraisal being reviewed to, at a minimum, validate the significant characteristics of the comparables and the essential elements of the transactions including:

(A) the multiple listing service(s) or other recognized methods, techniques and data sources for the geographic area in which the appraisal under review was performed, if the appraisal under review included a sales comparison approach;

(B) published cost data sources and other recognized methods, techniques and data sources for the geographic area in which the appraisal under review was performed, if the appraisal under review included a cost approach;

(C) the comparable rental data, income and expense data, and other recognized methods, techniques and data sources for the geographic area in which the appraisal under review was performed, if the appraisal under review included an income approach; and

(D) the sales or listing history of the property which is the subject of the appraisal under review, if that property was sold within the three years prior to the effective date of the appraisal under review or listed for sale as of the effective date of the appraisal under review;

(2) state the reviewer's opinions and conclusions about the work under review for each of the approaches to value utilized in the appraisal under review, including the reason for any disagreements;

(3) identify if the appraisal under review omitted an approach to value, a particular piece of information, or an analysis of either that was necessary for credible assignment results, identify what was omitted and explain why it was necessary for credible assignment results;

(4) identify the client, any intended users and the effective date of the appraisal review;

(5) state that the appraisal review's intended use and purpose is to satisfy the requirements of §1104.155 of the AMC Act and this rule, including ensuring that the appraisal under review complies with the USPAP edition in effect at the time of the appraisal;

(6) state that the scope of work for the appraisal review is commensurate with the requirements of §1104.155 of the AMC Act, this rule and USPAP edition in effect at the time of the appraisal review and that the scope of work ensures the development of credible assignment results and that no assignment conditions impose limitations which make the results of the review not credible;

(7) identify the appraisal under review, including:

(A) any ownership interest of the appraiser or reviewer in the property that is the subject of the appraisal under review;

(B) the report date and effective date of the appraisal under review;

(C) the effective date of the opinions or conclusions in the appraisal under review;

(D) the physical, legal, and economic characteristics of the property, properties, property type(s), or market area in the appraisal under review; and

(E) the name of all appraisers who signed or provided significant professional assistance in the appraisal under review;

(8) state clearly and conspicuously, all extraordinary assumptions and hypothetical conditions and state that their use might have affected the review; and

(9) contain a certification which complies with USPAP Standards Rule 3-6.

(h) While not required by §1104.155 of the AMC Act or this rule, if the reviewer elects to develop an opinion of value, review opinion, or real property appraisal consulting conclusion, the review must comply with the additional provisions of USPAP governing the development of an opinion of value, review opinion, or real property appraisal consulting conclusion.

Source Note: The provisions of this §159.155 adopted to be effective March 5, 2012, 37 TexReg 483; amended to be effective December 4, 2012, 37 TexReg 9509; amended to be effective September 11, 2013, 38 TexReg 5879; amended to be effective December 14, 2014, 39 TexReg 9668



APPLICATION FOR REGISTRATION AS AN APPRAISAL MANAGEMENT COMPANY (AMC)

Table with 5 columns: FEES, RECEIPT NUMBER, AMOUNT, MONEY TYPE, DATE RECEIVED. Row 1: AMC APPLICATION, \$3,419

DO NOT WRITE ABOVE THIS LINE

ALL INFORMATION MUST BE TYPED OR PRINTED IN INK. MAKE CHECKS OR MONEY ORDERS PAYABLE TO TALCB. THE AMOUNT ABOVE INCLUDES A \$20 PAPER FILING FEE THAT YOU CAN AVOID IF YOU APPLY ONLINE. FEES ARE NON-REFUNDABLE.

Note: If the AMC is a business entity, a current "Certificate of Good Standing" (aka Account Status), dated within 21 days prior to the date of the application, issued by the governing state agency where the business entity was incorporated or organized, recognizing the standing of the business entity in that state must be provided with this application.

1. Full Legal Name of AMC: Name _____ TIN or EIN _____

2. Assumed Business Name or DBA (if any): _____

3. Place of Business Address: (must be a fixed street address, not a Post Office Box)
Number, Street and Suite No. _____
City _____ State _____ Zip Code _____ Phone Number _____

4. Primary Contact Information: (must meet the definition of "controlling person" in Section 1104.003(b)(6) Texas Occupations Code)
The Primary Contact must sign and submit a separate Owner/Primary Contact Background History Form.
Name _____
Number, Street and Suite No. _____
City _____ State _____ Zip Code _____ Phone Number _____
E-mail Address _____

5. The Primary Contact: (check one)
 is a certified appraiser _____ Certification No. _____ State _____ Expiration Date _____
OR
 has taken the 15-Hour National USPAP course (submit copy of course completion certificate)

6. Owner Information: (for each individual or business entity owning more than 10% of AMC)

Each owner must sign and submit a separate Owner/Primary Contact Background History form.

Space is provided for three owners. Attach an additional copy of this page if there are more than three owners of more than 10% .

Individual

Business Entity

Name

Certification/License No. (if applicable)

State

Expiration Date

Business Street Address OR P.O. Box No.

City

State

Zip Code

Phone Number

Individual

Business Entity

Name

Certification/License No. (if applicable)

State

Expiration Date

Business Street Address OR P.O. Box No.

City

State

Zip Code

Phone Number

Individual

Business Entity

Name

Certification/License No. (if applicable)

State

Expiration Date

Business Street Address OR P.O. Box No.

City

State

Zip Code

Phone Number

7. Appraiser Contact Information: (must be a licensed or certified appraiser)

Name

Certification/License No.

State

Expiration Date

Business Street Address OR P.O. Box No.

City

State

Zip Code

Phone Number

Email Address

8. Has the AMC ever (1) had any professional or occupational license or certification suspended, canceled or revoked; (2) received a reprimand or disciplinary action; or (3) had an application for such denied in Texas or any other state? Yes No
If YES, submit a complete written explanation and appropriate documentation such as final orders, etc.

9. Are there any complaints, disciplinary hearings or investigations pending against any professional or occupational licenses held by the AMC? Yes No
If YES, submit a complete written explanation and appropriate documentation such as final orders, etc.

10. (a) Has the AMC ever been convicted of a criminal offense? (Include **ALL** felonies and misdemeanors) Yes No
(b) Has the AMC ever been placed on probation, community supervision or deferred adjudication? Yes No
(c) Are there any criminal charges pending against the AMC? Yes No
If the answer to (a), (b), or (c) is YES, submit copies of all indictments, orders and charges, and a written explanation.

11. In the past four (4) years, has the AMC had a civil judgment rendered against it, or are there any civil suits pending against it on one of the following grounds; (a) fraud; (b) intentional or knowing misrepresentation; or (c) grossly negligent misrepresentation in the making of real estate appraiser services? Yes No
If YES, submit copies of all petitions and judgments and a complete written explanation, including whether or not the judgment has been paid.

IRREVOCABLE CONSENT TO SERVICE OF PROCESS

I do hereby irrevocably make, constitute, and appoint the Commissioner of the Texas Appraiser Licensing and Certification Board and its successors as my agent, for and in the State of Texas, upon whom service in a legal proceeding arising out of my activities as an appraisal management company may be made, if the plaintiff in the action cannot, in the exercise of due diligence, effect personal service on the AMC through the AMC's agent in Texas. Service of process upon the Commissioner shall be deemed valid personal service upon the AMC pursuant to applicable Texas law. I understand that the AMC has a legal duty to keep the Board informed of its current address. I understand that if and when the Commissioner is served with process, the notice will be forwarded to the primary contact at the current address provided on record with the Board. I also understand that if I fail to notify the Board of any changes, I may not receive notice of legal proceeding against the AMC.

If the AMC is not domiciled in Texas, the AMC must list a legally authorized agent to accept service of process in Texas below:

Agent for Service of Process

Business Street Address (must be a fixed street address, not a Post Office Box)

City

State

Zip Code

Phone Number

CERTIFICATION STATEMENT

On behalf of Applicant, I certify that I have personally prepared this application and all supporting information and documentation, and that all such information given is true, correct, and complete. If so requested by the Texas Appraiser Licensing and Certification Board (the "Board"), I will furnish all additional information or documentation as may be deemed necessary for the verification of the information provided. I authorize and consent to the Board's conducting such investigations of Applicant and the matters addressed herein as it deems necessary. I understand that information revealed in an investigation may be cause for disapproval of the application even though other requirements for registration have been met. I acknowledge that this registration may be disapproved for cause in accordance with the Texas Appraisal Management Company Registration and Regulation Act (Texas Occupations Code, Chapter 1104 (the "Act")) and that any registration may be revoked if I provide false or misleading information to the Board. I further understand that information submitted in conjunction with this registration may be subject to public disclosure or inspection in accordance with the Public Information Act (Chapter 552, Government Code). If granted the registration, Applicant will abide by the provisions of the Act and the Rules of the Board (22TAC Chapter 159), Applicant will not hold itself out as a registered AMC or perform any acts that only a registered AMC may perform until and unless so registered by the Board.

I certify that Applicant has reviewed each entity owning more than 10% of the AMC and has verified that none are more than 10% owned by a person who has had a license or certification to act as an appraiser denied, revoked, or surrendered in lieu of revocation and has not subsequently had a license or certification granted or reinstated.

I certify that Applicant has a system in place to ensure compliance with Subchapter D and Section 129E of the Truth in Lending Act (15 U.S.C. Section 1601 et seq.).

I certify that Applicant will retain ownership records for a period of five years.

This application and this certification are made under penalty of perjury.

Signature of Person with Authority to Sign on Behalf of AMC

Date Signed

Typed or Printed Name

Title

Be certain that your application:

- * Is complete - incomplete applications cannot be processed and will be returned
- * Is signed and dated
- * Includes original, signed Owner/Primary Contact Background History forms for all required individuals and entities

- * Includes copies of required course completion document(s)
- * Includes copies of required documents for any "YES" answers
- * Includes current Certificate of Good Standing

PRIVACY NOTICE

In accordance with Chapter 559, Government Code, the following notice about certain information laws and practices is given.

- (1) With few exceptions, an individual is entitled on request to be informed about the information that a state governmental body collects about the individual.
- (2) Under Sections 552.021 and 552.023 of the Governmental Code, the individual is entitled to receive and review the information.
- (3) Under Section 559.004 of the Governmental Code, the individual is entitled to have the governmental body correct information about the individual that is incorrect.



RENEWAL OF REGISTRATION AS AN APPRAISAL MANAGEMENT COMPANY (AMC)

FEE	RECEIPT NUMBER	AMOUNT	MONEY TYPE	DATE RECEIVED
TIMELY RENEWAL		\$3,419 + (\$10.30 x number of panelists)		
EXPIRED 90 DAYS OR LESS		\$5,069 + (\$10.30 x number of panelists)		
EXPIRED MORE THAN 90 DAYS BUT LESS THAN 6 MONTHS		\$6,719 + (\$10.30 x number of panelists)		

DO NOT WRITE ABOVE THIS LINE

ALL INFORMATION MUST BE TYPED OR PRINTED IN INK. MAKE CHECKS OR MONEY ORDERS PAYABLE TO TALCB. THE AMOUNT ABOVE INCLUDES A \$20 PAPER FILING FEE THAT YOU CAN AVOID IF YOU RENEW ONLINE. PANELIST FEES MUST BE PAID FOR ALL PANELISTS ON YOUR ACCOUNT. YOU MAY REMOVE A PANELIST ONLINE OR ON A TERMINATION OF PANELIST FORM PRIOR TO RENEWAL WITH THE APPROPRIATE FEE. FEES ARE NON-REFUNDABLE.

1. Full Legal Name of AMC:

2. Assumed Business Name or DBA (if any):

3. TALCB Registration Number: _____ **4. Expiration Date:** _____

5. Place of Business Address: (must be a fixed street address, not a Post Office Box)

Number, Street and Suite No.

City State Zip Code Phone Number

6. Primary Contact Information: (must meet the definition of "controlling person" in Section 1104.003(b)(6) Texas Occupations Code)
The Primary Contact must sign and submit a separate Owner/Primary Contact Background History Form.

Name

Number, Street and Suite No. City State Zip Code

Phone Number E-mail Address

7. The Primary Contact: (check one)
 is a certified appraiser _____
Certification No. State Expiration Date
OR
 has taken a 7-Hour National USPAP Update course within two years of AMC renewal
(submit copy of course completion certificate)

8. Owner Information: (for each individual or business entity owning more than 10% of AMC)

Each owner must sign and submit a separate Owner/Primary Contact Background History form. Space is provided for three owners. Attach an additional copy of this page if there are more than three owners of more than 10% .

Individual

Business Entity

Name

Certification/License No. (if applicable)

State

Expiration Date

Business Street Address OR P.O. Box No.

City

State

Zip Code

Phone Number

Individual

Business Entity

Name

Certification/License No. (if applicable)

State

Expiration Date

Business Street Address OR P.O. Box No.

City

State

Zip Code

Phone Number

Individual

Business Entity

Name

Certification/License No. (if applicable)

State

Expiration Date

Business Street Address OR P.O. Box No.

City

State

Zip Code

Phone Number

9. Appraiser Contact Information: (must be a licensed or certified appraiser)

Name

Certification/License No.

State

Expiration Date

Business Street Address OR P.O. Box No.

City

State

Zip Code

Phone Number

Email Address

10. Since registration or the last renewal, has the AMC (1) had any professional or occupational license or certification suspended, canceled or revoked; (2) received a reprimand, warning letter, or disciplinary action; or (3) had an application for such denied in Texas or any other state? Yes No
If YES, submit a complete written explanation and appropriate documentation such as final orders, etc.

11. Are there any pending complaints, investigations, or disciplinary hearings against any professional or occupational licenses held by the AMC? Yes No
If YES, submit a complete written explanation and appropriate documentation such as final orders, etc.

12. Since registration or the last renewal, has the AMC (1) been convicted of or pleaded *nolo contendere* to a criminal offence (Include **ALL** felonies and misdemeanors); (2) been placed on probation, community supervision, or deferred adjudication; or (3) are there any criminal charges pending against the AMC? Yes No
If the answer to (1), (2), or (3) is YES, submit copies of all indictments, information, judgments, orders and charges, and a written explanation.

13. Since registration or the last renewal, has the AMC had a civil judgment rendered against it, or are there any civil suits pending against it? Yes No
If YES, submit a complete written explanation and copies of all petitions and judgments.

IRREVOCABLE CONSENT TO SERVICE OF PROCESS

I do hereby irrevocably make, constitute, and appoint the Commissioner of the Texas Appraiser Licensing and Certification Board and its successors as my agent, for and in the State of Texas, upon whom service in a legal proceeding arising out of my activities as an appraisal management company may be made, if the plaintiff in the action cannot, in the exercise of due diligence, effect personal service on the AMC through the AMC's agent in Texas. Service of process upon the Commissioner shall be deemed valid personal service upon the AMC pursuant to applicable Texas law. I understand that the AMC has a legal duty to keep the Board informed of its current address. I understand that if and when the Commissioner is served with process, the notice will be forwarded to the primary contact at the current address provided on record with the Board. I also understand that if I fail to notify the Board of any changes, I may not receive notice of legal proceeding against the AMC.

If the AMC is not domiciled in Texas, the AMC must list a legally authorized agent to accept service of process in Texas below:

Agent for Service of Process

Business Street Address (must be a fixed street address, not a Post Office Box)

City

State

Zip Code

Phone Number

CERTIFICATION STATEMENT

I certify that I am authorized to sign this form on behalf of the AMC, that I have personally prepared this form and all information is true, complete and correct. If so requested by TALCB, I will furnish all additional information or documentation as may be deemed necessary for the verification of information provided. I authorize and consent to TALCB conducting investigations of any individual or entity owning more than 10% of the AMC and the primary contact. I understand that information revealed in an investigation may be cause for the AMC to be placed on inactive status, suspended or revoked if the owners or primary contact do not qualify under Subchapter C of Texas Occupations Code 1104, even though other requirements for renewal have been met. I acknowledge that any registration may be revoked if I provide false or misleading information to the Board. I further understand that information submitted in conjunction with this renewal may be subject to public disclosure or inspection in accordance with the Public Information Act (Chapter 552, Government Code).

I certify that the AMC has reviewed each entity owning more than 10% of the AMC and has verified that none are more than 10% owned by a person who has had a license or certificate to act as an appraiser denied, revoked, or surrendered in lieu of revocation and has not subsequently had a license or certification granted or reinstated.

I certify that the AMC has a system in place to ensure compliance with Subchapter D and Section 129E of the Truth in Lending Act (15 U.S.C. Section 1601 et seq.).

If the AMC is a corporation, LLC or partnership (entity), I certify that the entity is in compliance with all statutes, rules and regulations required of it to conduct business in the State of Texas.

I understand that the AMC's registration is not renewed until TALCB reissues my registration.

_____ Signature of Person with Authority to Sign on Behalf of AMC	_____ Date Signed
_____ Typed or Printed Name	_____ Title

Be certain that your renewal application:

- | | |
|---|---|
| <ul style="list-style-type: none">* Is complete - incomplete renewals cannot be processed and will be returned* Is signed and dated* Is postmarked no later than the expiration date* Includes original, signed Owner/Primary Contact Background History forms for all required individuals and entities | <ul style="list-style-type: none">* Includes copies of course completion document(s) for this renewal* Includes copies of required documents for any "YES" answers |
|---|---|

PRIVACY NOTICE

In accordance with Chapter 559, Government Code, the following notice about certain information laws and practices is given.

- (1) With few exceptions, an individual is entitled on request to be informed about the information that a state governmental body collects about the individual.
- (2) Under Sections 552.021 and 552.023 of the Governmental Code, the individual is entitled to receive and review the information.
- (3) Under Section 559.004 of the Governmental Code, the individual is entitled to have the governmental body correct information about the individual that is incorrect.

Appraisal Management Company (AMC) Complaint Processing

(a) Receipt of a Complaint Intake Form by the ~~B~~board does not constitute the filing of a formal complaint by the ~~b~~Board against the ~~appraisal management company (AMC)~~AMC named on the Complaint Intake Form. Upon receipt of a signed Complaint Intake Form, staff shall:

- (1) assign the complaint a case number in the complaint tracking system; and
- (2) send written acknowledgement of receipt to the complainant.

(b) If the staff determines at any time that the complaint is not within the ~~b~~Board's jurisdiction or that no violation exists, the complaint shall be dismissed with no further processing. The ~~b~~Board or the commissioner may delegate to staff the duty to dismiss complaints.

(c) A complaint alleging mortgage fraud or in which mortgage fraud is suspected:

- (1) may be investigated covertly; and
- (2) shall be referred to the appropriate prosecutorial authorities.

(d) Staff may request additional information necessary to determine how to proceed with the complaint from any person.

(e) As part of a preliminary investigative review, a copy of the Complaint Intake Form and all supporting documentation shall be sent to the ~~r~~Respondent unless the complaint qualifies for covert investigation and the Standards and Enforcement Services Division deems covert investigation appropriate.

(f) The ~~r~~Respondent shall submit a response within 20 days of receiving a copy of the Complaint Intake Form. The 20-day period may be extended for good cause upon request in writing or by e-mail. The response shall include the following:

- (1) a copy of the appraisal report(s), ~~if any, and/or any other documentation or business records~~ that is ~~(are)~~ the subject of the complaint;
- (2) a copy of the documents ~~and/or other~~ business records associated with the appraisal ~~report~~(s), incident(s), or conduct listed in the complaint, with the following signed statement attached to the response: I SWEAR AND AFFIRM THAT EXCEPT AS SPECIFICALLY SET FORTH HEREIN, THE COPY OF EACH AND EVERY BUSINESS RECORD ACCOMPANYING THIS RESPONSE IS A TRUE AND CORRECT COPY OF THE ACTUAL BUSINESS RECORD, AND NOTHING HAS BEEN ADDED TO OR REMOVED FROM THIS BUSINESS RECORD OR ALTERED. (SIGNATURE OF RESPONDENT);
- (3) a narrative response to the complaint, addressing each and every item in the complaint;
- (4) a list of any and all persons known to the ~~r~~Respondent to have actual knowledge of any of the matters made the subject of the complaint and, if in the ~~r~~Respondent's possession, contact information;

(5) any documentation that supports ~~the~~ Respondent's position that was not in the original documentation, as long as it is conspicuously labeled as additional documentation and kept separate from the original documentation. The ~~the~~ Respondent may also address other matters not raised in the complaint that the ~~the~~ Respondent believes need explanation; and

(6) a signed, dated and completed copy of any questionnaire sent by ~~the~~ Board staff.

(g) Staff will evaluate the complaint within three months of receipt of the response from respondent to determine whether sufficient evidence of a potential violation of ~~the AMC Act, Board rules or USPAP~~ ~~TALCB's statutes or rules, or the Uniform Standards of Professional Appraisal Practice (USPAP)~~ exists to pursue investigation and possible formal disciplinary action. If ~~the~~ staff determines ~~that~~ there is no jurisdiction, no violation exists, or there is insufficient evidence to prove a violation, or the complaint warrants dismissal, including contingent dismissal, under subsection (j) of this section, the complaint ~~will~~ ~~shall~~ be dismissed with no further processing.

(h) ~~A formal complaint will be opened and investigated by a staff investigator if:~~

(1) ~~the informal complaint is not dismissed under subsection (g) of this section; or~~

(2) ~~staff opens a formal complaint on its own motion. If the complaint is not dismissed under subsection (g) of this section, a formal complaint will be opened and it will be investigated by a staff investigator, as appropriate. Staff may also open a formal complaint on its own motion.~~

(i) ~~WA~~ written notice that a formal complaint has been opened will be sent to the ~~e~~ Complainant and ~~R~~ Respondent.

(j) The staff investigator assigned to investigate a formal complaint shall prepare a report detailing ~~all its~~ findings ~~on a form approved by the board for that purpose.~~

(k) In determining the proper disposition of a formal complaint pending as of or filed after the effective date of this subsection, and subject to the maximum penalties authorized under ~~Chapter 1104,~~ Texas Occupations Code ~~§§1104.201, 1104.202, 1104.214, and 1104.215,~~ staff, the administrative law judge in a contested case hearing and the ~~b~~ Board shall consider the following sanctions guidelines and list of non-exclusive factors as demonstrated by the evidence in the record of a contested case proceeding.

(1) For the purposes of these sanctions guidelines:

(A) An AMC will not be considered to have had a prior warning letter, contingent dismissal or discipline if that prior warning letter, contingent dismissal or discipline occurred more than ~~ten~~ ~~seven~~ (7) years ago;

(B) A prior warning letter, contingent dismissal or discipline given less than ~~ten~~ ~~seven~~ years ago will not be considered unless the ~~b~~ Board ~~took~~ ~~had taken~~ final action against the AMC before the date of the incident that led to the subsequent disciplinary action;

Formatted: Indent: First line: 0.5"

Comment [KW1]: Changed to conform structure with 153.124.

(C) Prior discipline is defined as any sanction, ~~(including an administrative penalty,)~~ received under a ~~Board~~ final or agreed order;

(D) A violation refers to a violation of any provision of the AMC Act, Board Rules, or USPAP;

(E) "Minor deficiencies" is defined as violations of the AMC Act, Board Rules, or USPAP which do not call into question the qualification of the AMC for licensure in Texas;

(F) "Serious deficiencies" is defined as violations of the Act, Board Rules or USPAP which do call into question the qualification of the AMC for licensure in Texas;

(G) "Remedial measures" include, ~~but are not limited to,~~ training, auditing, or any combination thereof; and

(H) The terms of a contingent dismissal agreement will be in writing and agreed to by all parties. If ~~R~~espondent completes all remedial measures required in the agreement within a certain prescribed period of time, the complaint will be dismissed with a non-disciplinary warning letter.

(2) List of factors to consider in determining proper disposition of a formal complaint:

(A) Whether the Respondent has previously received a warning letter or contingent dismissal, and if so, the similarity of facts or violations in that previous complaint to the facts or violations in the instant complaint matter;

(B) Whether the Respondent has previously been disciplined;

(C) If previously disciplined, the nature of the discipline, including:

(i) Whether it concerned the same or similar violations or facts;

(ii) The nature of the disciplinary sanctions imposed;

(iii) The length of time since the previous discipline;

(D) The difficulty or complexity of the incident at issue;

(E) Whether the violations found were of a negligent, grossly negligent or a knowing or intentional nature;

(F) Whether the violations found involved a single appraisal or instance of conduct or multiple appraisals or instances of conduct;

(G) To whom were the appraisal report(s) or the conduct directed, with greater weight placed upon appraisal report(s) or conduct directed at:

(i) A financial institution or their agent, contemplating a lending decision based, in part, on the appraisal report(s) or conduct at issue;

(ii) The ~~BB~~Board;

(iii) A matter which is actively being litigated in a state or federal court or before a regulatory body of a state or the federal government;

(iv) Another government agency or government sponsored entity, including, but not limited to, the United States Department of Veteran's Administration, the United States Department of Housing and Urban Development, the State of Texas, Fannie Mae, and Freddie Mac;

(v) A consumer contemplating a real property transaction involving the consumer's principal residence;

(H) Whether Respondent's violations caused any harm, including financial harm, and the amount of such harm;

(I) Whether Respondent acknowledged or admitted to violations and cooperated with the ~~BB~~Board's investigation prior to any contested case hearing;

(J) The business operating history of the AMC, including, ~~but not limited to:~~

(i) The size of the AMC's appraiser panel;

(ii) The length of time Respondent has been licensed as an AMC in Texas;

(iii) The length of time the AMC has been conducting business operations, in any jurisdiction;

(iv) The nature and extent of any remedial measures and sanctions the Respondent had received related to the areas in which violations were found; and

(v) ~~If the Respondent's is affiliated with any other business entities;~~

Formatted: Highlight

(K) Whether Respondent can improve the AMC's practice through the use of remedial measures; and

(L) Whether Respondent has voluntarily completed remedial measures prior to the resolution of the complaint.

(3) The sanctions guidelines contained herein shall be employed in conjunction with the factors listed in paragraph (2) of this subsection to assist in reaching the proper disposition of a formal complaint:

(A) 1st Time Discipline Level 1--violations of the AMC Act, Board Rrules, or USPAP which evidence minor deficiencies will result in one of the following outcomes:

- (i) Dismissal;
- (ii) Dismissal with non-disciplinary warning letter;
- (iii) Contingent dismissal with remedial measures.

(B) 1st Time Discipline Level 2--violations of the AMC Act, Board Rrules, or USPAP which evidence serious deficiencies will result in one of the following outcomes:

- (i) Contingent dismissal with remedial measures;
- (ii) A final order which imposes one or more of the following:
 - (I) Remedial measures;
 - (II) Required ~~promulgation~~, adoption and implementation of written, preventative policies or procedures;
 - (III) A probationary period with provisions for monitoring the AMC;
 - (IV) ~~Restrictions on the AMC's ability to administer an appraiser panel, or the size thereof~~ Monitoring and/or preapproval of AMC panel removals for a specified period of time;
 - (V) Monitoring and/or preapproval ~~Restrictions on~~ of the licensed activities of the AMC ~~is allowed to engage in~~ for a specified time period or until specified conditions are satisfied;
 - (VI) Minimum of Up to \$1,000,500 in administrative penalties per act or omission which constitutes a violation(s) of ~~the AMC Act, USPAP, Board R~~rules, or ~~USPAP~~the Act; each day of a continuing violation is a separate violation.

Formatted: Highlight

Formatted: Highlight

(C) 1st Time Discipline Level 3--violations of the AMC Act, Board Rrules, or USPAP which evidence serious deficiencies and were done with knowledge, deliberately, willfully, or with gross negligence will result in a final order which imposes one or more of the following:

- (i) A period of suspension;
- (ii) A revocation;
- (iii) Remedial measures;

(iv) Required ~~promulgation~~, adoption and implementation of written, preventative policies or procedures;

(v) A probationary period with provisions for monitoring the AMC;

(vi) ~~Restrictions on the AMC's ability to administer an appraiser panel, or the size thereof~~ Monitoring and/or preapproval of AMC panel removals for a specified period of time;

(vii) ~~Restrictions on Monitoring and/or preapproval of~~ the licensed activities of the AMC ~~is allowed to engage in~~ for a specified time period or until specified conditions are satisfied;

(viii) Minimum of \$2,500 Up to \$10,000 in administrative penalties per act or omission which constitutes a violation(s) of the AMC Act~~USPAP~~, Board ~~R~~rules, or USPAP~~the Act~~; each day of a continuing violation is a separate violation.

Formatted: Highlight

(D) 2nd Time Discipline Level 1--violations of the AMC Act, Board ~~R~~rules, or USPAP which evidence minor deficiencies will result in one of the following outcomes:

(i) Dismissal;

(ii) Dismissal with non-disciplinary warning letter;

(iii) Contingent dismissal with remedial measures;

(iv) A final order which imposes one or more of the following:

(I) Remedial measures;

(II) Required ~~promulgation~~, adoption and implementation of written, preventative policies or procedures;

(III) A probationary period with provisions for monitoring the AMC;

(IV) ~~Restrictions on the AMC's ability to administer an appraiser panel, or the size thereof~~ Monitoring and/or preapproval of AMC panel removals for a specified period of time;

(V) ~~Restrictions on Monitoring and/or preapproval of~~ the licensed activities of the AMC ~~is allowed to engage in~~ for a specified time period or until specified conditions are satisfied;

(VI) Minimum of \$1,000 Up to \$500 in administrative penalties per act or omission which constitutes a violation(s) of the AMC Act~~USPAP~~, Board ~~R~~rules, or USPAP~~the Act~~; each day of a continuing violation is a separate violation.

Formatted: Highlight

(E) 2nd Time Discipline Level 2--violations of the AMC Act, Board Rrules, or USPAP which evidence serious deficiencies will result in a final order which imposes one or more of the following:

- (i) A period of suspension;
- (ii) A revocation;
- (iii) Remedial measures;
- (iv) Required ~~promulgation~~, adoption and implementation of written, preventative policies or procedures;
- (v) A probationary period with provisions for monitoring the AMC;
- (vi) ~~Restrictions on the AMC's ability to administer an appraiser panel, or the size thereof~~ Monitoring and/or preapproval of AMC panel removals for a specified period of time;
- (vii) ~~Restrictions on~~ Monitoring and/or preapproval of the licensed activities of the AMC ~~is allowed to engage in~~ for a specified time period or until specified conditions are satisfied;
- (viii) Minimum of \$2,500 Up to \$10,000 in administrative penalties per act or omission which constitutes a violation(s) of AMC Act~~USPAP~~, Board Rrules, or USPAP~~the Act~~; each day of a continuing violation is a separate violation.

Comment [KW2]: This may be duplicative of the revised section vii below.

Formatted: Highlight

(F) 2nd Time Discipline Level 3--violations of the AMC Act, Board Rrules, or USPAP which evidence serious deficiencies and were done with knowledge, deliberately, willfully, or with gross negligence will result in a final order which imposes one or more of the following:

- (i) A period of suspension;
- (ii) A revocation;
- (iii) Remedial measures;
- (iv) Required ~~promulgation~~, adoption and implementation of written, preventative policies or procedures;
- (v) A probationary period with provisions for monitoring the AMC;
- (vi) ~~Restrictions on the AMC's ability to administer an appraiser panel, or the size thereof~~ Monitoring and/or preapproval of AMC panel removals for a specified period of time;

Comment [KW3]: This may be duplicative of the revised section vii below.

(vii) ~~Restrictions on Monitoring and/or preapproval of~~ the licensed activities of the AMC ~~is allowed to engage in~~ for a specified time period or until specified conditions are satisfied;

(viii) ~~Minimum of \$4,000 Up to \$10,000~~ in administrative penalties per act or omission which constitutes a violation(s) of ~~the AMC Act~~ USPAP, Board ~~R~~rules, or ~~USPAP~~the Act; each day of a continuing violation is a separate violation.

Formatted: Highlight

(G) 3rd Time Discipline Level 1--violations of the ~~AMC~~ Act, Board ~~R~~rules, or USPAP which evidence minor deficiencies will result in a final order which imposes one or more of the following:

(i) A period of suspension;

(ii) A revocation;

(iii) Remedial measures;

(iv) Required ~~promulgation~~, adoption and implementation of written, preventative policies or procedures;

(v) A probationary period with provisions for monitoring the AMC;

(vi) ~~Restrictions on the AMC's ability to administer an appraiser panel, or the size thereof Monitoring and/or preapproval of AMC panel removals for a specified period of time;~~

(vii) ~~Restrictions on Monitoring and/or preapproval of~~ the licensed activities of the AMC ~~is allowed to engage in~~ for a specified time period or until specified conditions are satisfied;

(viii) ~~Minimum of \$2,500 Up to \$10,000~~ in administrative penalties per act or omission which constitutes a violation(s) of ~~the AMC Act~~ USPAP, Board ~~R~~rules, or ~~USPAP~~the Act; each day of a continuing violation is a separate violation.

Formatted: Highlight

(H) 3rd Time Discipline Level 2--violations of the ~~AMC~~ Act, Board ~~R~~rules, or USPAP which evidence serious deficiencies will result in a final order which imposes one or more of the following:

(i) A period of suspension;

(ii) A revocation;

(iii) Remedial measures;

(iv) Required ~~promulgation~~, adoption and implementation of written, preventative policies or procedures;

(v) A probationary period with provisions for monitoring the AMC;

Comment [KW4]: This may be duplicative of the revised section vii below

(vi) ~~Restrictions on the AMC's ability to administer an appraiser panel, or the size thereof~~ Monitoring and/or preapproval of AMC panel removals for a specified period of time;

(vii) ~~Restrictions on~~ Monitoring and/or preapproval of the licensed activities of the AMC ~~is allowed to engage in~~ for a specified time period or until specified conditions are satisfied;

(viii) Minimum of \$4,000 ~~Up to \$10,000~~ in administrative penalties per act or omission which constitutes a violation(s) of ~~the AMC Act~~ USPAP, Board ~~R~~rules, or ~~USPAP~~ the Act; each day of a continuing violation is a separate violation.

Formatted: Highlight

(I) 3rd Time Discipline Level 3--violations of the AMC Act, Board ~~R~~rules, or USPAP which evidence serious deficiencies and were done with knowledge, deliberately, willfully, or with gross negligence will result in a final order which imposes one or more of the following:

(i) A revocation; and

(ii) Minimum of \$7,000 ~~Up to \$10,000~~ in administrative penalties per act or omission which constitutes a violation(s) of USPAP, Board Rules, or the Act; each day of a continuing violation is a separate violation.

Formatted: Highlight

(J) 4th Time Discipline--violations of the AMC Act, Board ~~R~~rules or USPAP will result in a final order which imposes the following:

(i) A revocation; and

(ii) ~~Up to~~ \$10,000 in administrative penalties per act or omission which constitutes a violation(s) of ~~the AMC Act~~ USPAP, Board ~~R~~rules, or ~~USPAP~~ the Act; each day of a continuing violation is a separate violation.

(K) Unlicensed AMC activity will result in a final order which imposes a \$10,000 in administrative penalties per unlicensed AMC activity; each day of a continuing violation is a separate violation.

(4) In addition, staff may recommend any or all of the following:

(A) Reducing or increasing the recommended sanction or administrative penalty for a complaint based on documented factors that support the deviation, including but not limited to those factors articulated under paragraph (2) of this subsection;

(B) Probating all or a portion of any remedial measure, sanction, or administrative penalty for a period not to exceed three-five years;

(C) Requiring additional reporting requirements;

(D) ~~the p~~ayment of costs expended by the ~~b~~Board associated with the investigation, and if applicable, a contested case, including legal fees and administrative costs; and

(E) Such other recommendations, with documented support, as will achieve the purposes of the AMC Act, ~~the Board R~~ules, ~~and~~/or USPAP.

(~~k~~) Agreed resolutions of complaint matters pursuant to Texas Occupations Code §1104.208(a)(3) must be:

(1) ~~approved by the Board~~; and

(2) signed by:

a. the respondent;

b. ~~respondent's attorney, if respondent is represented~~;

c. a representative of the Standards and Enforcement Services Division; and

d. the ~~e~~Commissioner.

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.5" + Indent at: 0.75"

Formatted: List Paragraph, Numbered + Level: 2 + Numbering Style: a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at: 1" + Indent at: 1.25"

DRAFT

TEXAS APPRAISER LICENSING & CERTIFICATION BOARD
APPRAISAL MANAGEMENT COMPANY (AMC) FIRST TIER AUDIT CHECKLIST

AMC NAME:

AMC REGISTRATION NO.:

FIRST TIER AUDIT LICENSING REQUIREMENTS

1104. SUBCHAPTER C. REGISTRATION REQUIREMENTS

No.	Compliance			Statute/Board Rule	Requirement
	Yes	No	N/A		
1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1104.102/159.102 1104.103/159.103	<u>Application For Registration or Renewal</u>
Comment:	<p><u>1. Ownership; 1104.102(a) and (b)</u></p> <p><u>Risk issue:</u> Confirm ownership for 1% and 10% owners and that they have complied with background checks, 10%, and are not ineligible appraisers, both 1% and 10%.</p> <p><u>Justification to audit:</u> To confirm honesty in application and that persons with good moral character are owners of registered owners under 1104.102.</p> <p><u>Documentation needed:</u></p> <ul style="list-style-type: none"> • Ownership documents – Appropriate documents given the type of entity (e.g., Bylaws, membership shares statement for LLC, most recent shareholder registry for Corporation, etc.). • List of all 1% and 10% owners who are appraisers, provide full names, appraiser license number, could also ask for SS# as an additional information is needed to determine ⊕. • Application and renewal applications. • National Registry check for disciplinary history. <p><u>Compliance determination:</u></p> <ul style="list-style-type: none"> • Check to see if all 10% owners were listed on application and renewal applications. • Check ownership documents to confirm 10% owners have been disclosed. • If new owners, have they been processed for background checks (10% owners). 				

Formatted: Font: Bold

Formatted: Font: (Default) Times New Roman, 12 pt, Bold, Underline

- National Registry check for appraiser owners, 1% and 10% (1104.102(a) and (b)).

2. 10% Entity Ownership of AMC; 1104.102(d)

Risk issue:

Confirm that an appraiser with 10% ownership or greater of an entity that owns 10% or greater of an AMC complies with ownership requirements.

Justification to audit:

To confirm honesty in application and that persons with good appraiser licensing status are owners of entities that own AMCs under 1104.102.

Documentation needed:

- Ownership documents – Appropriate documents given the type of entity (e.g., Bylaws, membership shares statement for LLC, most recent shareholder registry for Corporation, etc.).
- List of all 10% owners who are appraisers, provide full names, appraiser license number, could also ask for SS# as an additional check.
- Application and renewal applications.
- Due diligence documentation retained by AMC on persons owning 10% or more of entities that own 10% or more of the AMC, showing no disciplinary history.

Compliance determination:

- Check to see if all 10% owners were listed on application and renewal applications.
- Check ownership documents to confirm 10% owners have been disclosed.
- National Registry check for 10% appraiser owners.
- Check due diligence by AMC on persons owning 10% or greater of entities that own 10% or greater of AMC with clean disciplinary history's and confirm same.

3. Service of Process Agent; 1104.103(b)(8)

Risk issue:

Is the AMC available for service of process?

Justification to audit:

To ensure good regulation, the AMC must be subject to service of process in the event enforcement action is necessary.

Documentation needed:

- Did the AMC designate an agent for service of ~~proeess~~process?
- Statement from AMC that service of process agent is still valid.
- Secretary of State online records of service of process agent.

Compliance determination:

- Compare information from application and renewals with statement from AMC and Secretary of State online records.
- Contact the agent for service of process to ensure it is a legitimate agent.

2	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	1104.103(b)(6) 1104.104/159.104	<u>Designation of Primary Contact; Appraiser Contact</u>
Comment:	<u>1. Primary Contact; 1104.104</u>				
	<p><u>Risk issue:</u> To ensure that the AMC has a primary contact, PC, that the PC meets the eligibility requirements to act as PC by meeting enumerated criteria and either being an appraiser or taking USPAP.</p> <p><u>Justification to audit:</u> To ensure that the primary contact, PC, meets the eligibility requirements to act as PC on behalf of AMC and interact with business partners and the Board and is of good moral character, background check, and is an appraiser or taken USPAP.</p> <p><u>Documentation needed:</u></p> <ul style="list-style-type: none"> • Application and renewal applications. • 15 hour and 7 hour USPAP certifications. • Appraiser certification. • Background check list and file. • Application file. • Questionnaire to AMC, pertaining to the PC, on who are the officers and directors, and level of authority or contractual ability on behalf of AMC. • Employment job description of the PCs. <p><u>Compliance determination:</u></p> <ul style="list-style-type: none"> • See if any new PCs and if they have been disclosed, 15 day on-going duty to update, 159.104(a). • Determine if non-appraiser contact has taken 15 hour and 7 hour updated USPAP, 1104.104(b). • Check for background check list and file for each disclosed and any new PCs. 				
	<u>2. Appraiser Contact; 1104.103(b)(6)</u>				
	<p><u>Risk issue:</u> Ensure the AMC has designated at least one properly credentialed appraiser to respond to and communicate with other appraisers regarding appraisal assignments to ensure there is a knowledgeable contact for panel members to address appraisal and compliance issues.</p> <p><u>Justification to audit:</u> The requirement under the statute is to ensure appraisal panel members have a knowledgeable appraiser working for or on behalf of the</p>				

Formatted: Font: Bold

Formatted: Font: (Default) Times New Roman, 12 pt, Bold, Underline

AMC with whom they can discuss appraisal assignment and compliance issues.

Documentation needed:

- Application and renewal applications.
- Appraiser certification of appraiser contacts .
- Contact information for appraiser contact.

Compliance determination:

- Ensure appraiser actually employed by AMC or independent contractor.
- Check to ensure the appraiser contact is still appropriately credentialed.
- National Registry check of appraiser contact to ensure clean disciplinary history.
- Attempt communication with appraiser contact to ensure accessibility to communicate.

1104. SUBCHAPTER D. PRACTICE BY APPRAISAL MANAGEMENT COMPANY

No.	Compliance			Statute/Board Rule	Requirement
	Yes	No	N/A		
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1104.151	<u>Employment of Certain Persons Prohibited</u>

Formatted: Font: Bold

Comment:

1. Ordering and Reviewing Prohibited Person; 1104.151(a)(1)-(2)

Formatted: Font: (Default) Times New Roman, 12 pt, Bold, Underline

Risk issue:

Ensure the AMC has not employed or contracted an appraiser, in the position of ordering and/or reviewing (as that term is defined in Tex. Occ. Code § 1104.003(b)(4)) an appraisal, who has had a license denied, revoked or surrendered in lieu of revocation in any state in the position of ordering and reviewing appraisals.

Justification to audit:

To ensure proper appraisal assignments are being communicated and that submitted appraisals are properly and ethically reviewed, only appraisers in good standing should be employed in such positions. This will ensure sound appraisal and appraisal management services for the AMC.

Documentation needed:

- A statement by the AMC of all such persons employed or contracted for -in the position of ordering and reviewing reviewing (as that term is defined in Tex. Occ. Code § 1104.003(b)(4)) appraisal assignments.
- ~~A random selection of appraisal assignments and the communication associated with the assignment order, submission and review.~~
- The employment job description or the independent contractor documentation. ~~of appraisers in this position.~~
- National Registry check of such persons.

Compliance determination:

- To determine who is actually employed in such positions.
- Determine if persons in this position, who are appraisers, have not had their license denied, revoked or surrendered in lieu of revocation.
- If an appraiser in this position has had their license denied, revoked or surrendered in lieu of revocation, have they subsequently obtained a license that is in good standing or have they been reinstated and are in good standing.

Independent Contractor Relationships; 1104.151(a)(2)

Risk issue:

~~Ensure the AMC has not entered into any independent contractor relationships for the provision of appraisals or appraisal management services with any person who has had a license as an appraiser denied, revoked or surrendered in lieu of revocation in any state.~~

Justification to audit:

~~To ensure the AMC only contracts with appraisers in good standing for the provision of appraisals or appraisal management services. This will ensure sound appraisal and appraisal management services for the AMC.~~

Documentation needed:

- ~~• A statement by the AMC of all appraisers for a given time period in which they have contracted for the provision of appraisals or appraisal management services.~~
- ~~• A random selection of appraisal assignments to ensure the contracted appraiser is on the list disclosed to the Board and on the list of panel members.~~
- ~~• A random selection of contracted appraisers.~~
- ~~• National Registry check of such persons.~~

Compliance determination:

- ~~• To determine who is actually employed in such positions.~~
- ~~• Determine if the selected independent contractor appraisers are in good standing or have had license denied, revoked or surrendered in lieu of revocation in any state.~~
- ~~•~~

Formatted: Indent: Left: 0.18", Bulleted + Level: 2 + Aligned at: 0.75" + Indent at: 1"

4	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	1104.155/159.155	Professional Standards; Periodic Review of Appraisers
<p>Comment: <u>1. Confirm the AMC has Reviewed the Appropriate Number of Appraisals; 22 Tex. Admin. Code § 159.155(a) and (b)</u></p> <ul style="list-style-type: none"> • 1 of initial 5 appraisals performed by appraiser prior to making a sixth assignment (22 Tex. Admin. Code § 159.155(a)(1)) <u>AND</u> • Total of 5% (randomly selected) of all appraisals during 12-month period following date of AMC's registration (22 Tex. Admin. Code § 159.155(a)(2) and (b)). <p><u>Risk issue:</u> AMC failing to conducted required reviews. This would result in substandard appraisals passing through the AMC undetected and causing potential financial harm to the homeowners and financial institutions.</p> <p><u>Justification to audit:</u> Confirming AMC compliance with required number of reviews helps foster USPAP compliance, which is a critical component of successful mortgage finance transactions. AMC's are required by both state and federal law to ensure this. Ensures the soundness of the financial transaction, real estate market and economy.</p> <p><u>Documentation needed:</u></p> <ul style="list-style-type: none"> • List of panelists from the Board. • List from AMC of any appraisers the AMC claims are exempt from 1 of initial 5 appraisals requirement and supporting documentation for this exemption (i.e. documentation showing completion of 5 appraisals prior to registration obligation arising). • Data from the AMC showing total <u>A list</u> -of all appraisals completed by AMC during 12-month period. • Data <u>A list</u> from the AMC showing the total number of reviews completed by the AMC for that corresponding period. • Documentation <u>A statement</u> from AMC showing process by which appraisers were randomly selected for review. <p><u>Compliance determination:</u></p> <ul style="list-style-type: none"> • Staff would analyze the VERSA list of panelists to confirm all who had more than 5 assignments have been reviewed at least once. • Staff would evaluate AMC provided list of any appraisers excepted from this requirement and the documentation demonstrating that particular appraiser already completed 5 appraisals prior to the AMC's registration obligation arising. • Staff would evaluate total number of appraisals completed data from the AMC and compare that to the total number of reviews performed to ensure the AMC is satisfying the 5% requirement. • Staff would also analyze the AMC documentation demonstrating how they select an appraisal for participation in the 5% review and confirm that the selection process is random. 					

Formatted: Font: Bold

Formatted: Normal

Formatted: Font: (Default) Times New Roman, 12 pt, Bold, Underline

2. The AMC Uses Appropriately Qualified Texas Appraisers for the Reviews; 1104.153 and 1104.154; 22 Tex. Admin. Code §§ 159.155(e), 159.155(f) and 159.154

Risk issue:

Using unqualified appraisers to do reviews erodes the credibility of the review process which is designed to ensure the soundness of the financial transaction, integrity of the real estate market and economy.

Justification to audit:

Confirming appropriately credentialed and competent appraisers are conducting these reviews will help protect against flawed / erroneous reviews. Ensuring properly credentialed and qualified appraisers are doing reviews will limit erroneous and superfluous complaints to the Board.

Documentation needed:

- List of all reviews performed
- Copies of the relevant pages of the reviews performed based upon a randomly selected sampling.
- Copies of the relevant pages of the underlying appraisals being reviewed based upon a randomly selected sampling.
- Copies of the written certification of competency the reviewer is required to submit to the AMC at the time of or prior to the AMC -making the assignment to the reviewer.

Compliance determination:

- Staff would look at the review and check the credential held by the reviewer.
- Staff would look at the underlying appraisal and the credential held by that appraiser and compare it with the review's credential to ensure a qualified reviewer completed the assignment.
- Staff would confirm the AMC has a written certification of competency for the reviewer conducting the review.

3. Confirm the AMC Ensures Reviewers Use the Appropriate Scope of Work and Access Appropriate Data Sources; 1103.155; 22 Tex. Admin. Code 159.155(d), (f), (g) and (h)

Risk issue:

An AMC conducting periodic reviews which fail to indicate meaningfully whether USPAP compliance / risk issues truly exist because of an insufficient scope of work or lack of adequate data sources. This would result in substandard appraisals passing through the AMC undetected and causing potential financial harm to the homeowners, financial institutions and ultimately U.S. taxpayers who would be required to cover financial loss.

Justification to audit:

Confirming the AMC used the appropriate scope of work and employed those data sources necessary for their periodic reviews to uncover instances of USPAP non-compliance will guard against AMC's performing pro forma periodic reviews that fail to ascertain true compliance.

Documentation needed:

- Copies of the reviews performed and the corresponding reviewer work file.
- Copies of the underlying appraisals being reviewed.
- Copies of the AMC's order form and written instructions to the reviewer.
- Copies of any germane correspondence related to scope of work of the review.
- ~~Records of appraiser's membership to appropriate data sources.~~
- Copies of data or documentation (at the auditor's discretion) necessary to verify compliance.

Compliance determination:

- Staff would look at the appraisal under review and the corresponding review.
- Staff would consider the AMC's order form and written instructions.
- Staff would consider the work file of the reviewer.
- Staff would also audit any relevant correspondence concerning the scope of work for the particular review.
- Staff's focus would be to confirm that a proper scope of work was conducted by the reviewer based on a review of all these materials.

4. Confirm the AMC Relays Results from the Periodic Review to Personnel who are Evaluating Appraiser Competency for Future Assignments; 22 Tex. Admin. Code § 159.154(b)

Risk issue:

Failure to utilize the results of the periodic review to achieve the underlying public policy goal of protecting the public against incompetent appraisers.

Justification to audit:

Confirming the AMC is actually employing the results of the periodic review to ensure they are employing competent appraisers.

Documentation needed:

- ~~AMC prepared list of all periodic reviews which implicate deficient appraisers.~~
- ~~Copies of the reviews performed.~~
- AMC documentation, ~~data data, or policy~~ demonstrating that periodic reviews which implicate deficient appraisers are communicated to AMC personnel who determine future assignments for those appraisers.

Compliance determination:

- ~~• Staff would evaluate the AMC's prepared list of all periodic reviews which implicate deficient appraisers.~~
- ~~• Staff would confirm those reviews which implicate deficient appraisers.~~
- ~~• Staff would compare the AMC's prepared list with AMC documentation / data to confirm that the AMC is relaying reviewer findings implicating deficient appraisers to the appropriate personnel so these findings can be integrated into evaluation of competency for future assignments.~~
- Does the AMC have documentation, data, or a policy / data demonstrating that periodic reviews which implicate deficient appraisers are communicated to AMC personnel who determine future assignments?;

5. Confirm the AMC Relays Results from the Periodic Review to Personnel who Handle Mandatory Reporting; 1104.160, 12 C.F.R. § 1026.42(g)

Risk issue:

Failure to take action against deficient appraisers based on the results of the periodic review. This would result in continued deficient appraisal practice by appraisers and may cause potential financial harm to the homeowners and financial institutions.

Justification to audit:

Confirming the AMC is actually employing the results of the periodic review to ensure they are reporting deficient appraisers when required and thereby protecting the public.

Documentation needed:

- ~~• AMC prepared list of all periodic reviews which implicate deficient appraisers.~~
- ~~• Copies of the reviews performed.~~
- AMC documentation, data, or policy / data demonstrating periodic reviews which implicate deficient appraisers are communicated to AMC personnel who handle mandatory reporting obligations.

Compliance determination:

- ~~• Staff would evaluate the AMC's prepared list of all periodic reviews which implicate deficient appraisers.~~
- ~~• Staff would confirm those reviews which implicate deficient appraisers.~~
- ~~• Staff would compare the AMCs prepared list with AMC documentation / data confirming that the AMC is relaying reviewing findings implicating deficient appraisers to the appropriate personnel so these findings can be integrated into evaluation for mandatory reporting.~~
- Does the AMC have documentation, data, or a policy / data demonstrating periodic reviews which implicate deficient appraisers are communicated to AMC personnel who handle mandatory reporting obligations?;

Formatted: Indent: Left: 0.18", Bulleted + Level: 3 + Aligned at: 1.25" + Indent at: 1.5"

5	Yes	No	N/A	1104.159/159.159	<u>Disclosure of Registration Number</u>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Comment:					
<p><u>1. Disclosure of Registration Number; 1104.159</u></p> <p><u>Risk issue:</u> If AMCs do not properly identify who they are with the independently verifiable agency registration number, there will be a lack of accountability in regulation and appraisal management services.</p> <p><u>Justification to audit:</u> It is essential for all parties involved in the real estate transaction to know who they are doing business with. In addition, the Board needs to know who the AMC is in order to properly regulate them.</p> <p><u>Documentation needed:</u></p> <ul style="list-style-type: none"> • Information from the Board as to the AMCs registration number • Appraisal order documents, random selection for a given time period. <p><u>Compliance determination:</u> Staff will review a random selection from a given time period of the documents the AMC uses to procure appraisal to ensure the AMC registration number is disclosed.</p> <p><u>2. Disclosure of DBA; 159.159</u></p> <p><u>Risk issue:</u> That the AMC is properly disclosing their identity by disclosing all listed DBAs so they do not try to operate anonymously or without candor.</p> <p><u>Justification to audit:</u> It is essential for all parties involved in the real estate transaction to know who they are doing business with. In addition, the Board needs to know who the AMC is in order to properly regulate them.</p> <p><u>Documentation needed:</u></p> <ul style="list-style-type: none"> • List of all registered DBA names from the SOS. • List of DBA names disclosed on AMC application and renewals. • Request list of DBA names from the AMC. • Request applicable entity documents for DBA names registry. • Any disclosure of a DBA name to a person or entity for a given time period, random selection. 					

Formatted: Font: Bold

Formatted: Font: (Default) Times New Roman, 12 pt, Bold, Underline

- Run a search on PACER for DBA names.
- Run a search on Westlaw or Westlaw Next to search for DBA names.

Compliance determination:

Cross reference the list of DBA documents with those disclosed to the Board with those identified to ensure all DBA names have been disclosed and are correct.

6	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	1104.161/159.161 1104.162	<u>Appraiser Panel</u>
<p>Comment: <u>1. AMC Using Only Registered Panel Members; 1104.161</u></p> <p><u>Risk issue:</u> To ensure the registered AMC is only assigning appraisals to registered panel members.</p> <p><u>Justification to audit:</u> AMCs are required to use only registered panel members, which allows for the Board to ensure the assignments are given to properly credentialed appraisers and to have a record of who is assigned appraisals.</p> <p><u>Documentation needed:</u></p> <ul style="list-style-type: none"> • List of panel members from the Board. • List of panel members from AMC. • List of all assignment for a given time period with appraiser, property and location identified. <p><u>Compliance determination:</u></p> <ul style="list-style-type: none"> • Compare list of panel members from Board and AMC. • Select a given percentage or number of assignments and review the appraiser assigned to the list of panel members at the time of assignment. <p><u>AMC Not Improperly Removing Appraisers from Panel; 1104.161</u></p> <p><u>Risk issue:</u> If AMCs are allowed to improperly remove appraisers from their panels, there is the risk that appraisers will be unduly influenced in their appraisal opinion by threat of removal.</p> <p><u>Justification to audit:</u> AMCs are required to properly add and remove appraiser panel members, and make payment, and, if they remove them for cause, to follow a mandated dispute resolution process, if applicable. If these procedures are not followed, then AMCs could use the threat of removal to unduly influence appraisers' appraisal opinions.</p> <p><u>Documentation needed:</u></p> <ul style="list-style-type: none"> • List of panel members from the Board. • List of deletions from AMC panel from the Board and AMC. • Application to drop appraiser. 					

Formatted: Font: Bold

Formatted: Font: (Default) Times New Roman, 12 pt, Bold, Underline

~~• If there is an alleged removal for cause, correspondence between the appraiser and AMC relating to the issue.~~

- AMC dispute resolution process, if applicable.
- Records, including correspondence between the appraiser and AMC, of the dispute resolution process and all findings, if applicable.
- Any related complaints filed with the Board by an appraiser.

Compliance determination:

- Select a given number of added and dropped appraisers from the AMC and ensure the procedure was properly followed. ~~and payment was made.~~
- Select a given number of dropped appraisers for cause and ensure the procedure was properly followed.