



MEETING AGENDA

AMC Advisory Committee

TALCB Headquarters Office

4th Floor, Stephen F. Austin State Office Building
1700 North Congress, Austin, Texas 78701

Thursday, February 12, 2015, 10:00 a.m.
Via Teleconference

1. Call to order
2. SES report on AMC complaint cases
3. ELS report on AMC registrations
4. Discussion and possible action regarding audits of AMCs regarding compliance with certain statutory and rule requirements
5. Review of AMC Committee action items
6. Discussion and possible action regarding agenda items for future meetings
7. Discussion regarding future meetings dates
8. Adjourn



TEXAS

APPRAISER LICENSING & CERTIFICATION BOARD

DOUGLAS E. OLDMIXON, COMMISSIONER

February 5, 2015

AMC COMPLAINTS

Respondent (AMC)	Date Received	Disposition	Disposition Date	Complainant	Complaint Source	Complaint No.
2015						
COESTER VMS	1/20/2015	Pending	Pending	SMITH RICK	Consumer	2015-130
2014						
RESIDENTIAL REALESTATE REVIEW, INC.	10/27/2014	Pending	Pending	TALCB	Staff Initiated	2015-058
TITLE SOURCE LLC	8/19/2014	Pending	Pending	BOYTER STUART LEE	Consumer	2015-024
NOVO APPRAISAL MANAGEMENT CORPO	8/18/2014	Pending	Pending	TALCB	Staff Initiated	2014-296
Lendervend, LLC	4/21/2014	Pending	Pending	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
JANUARY 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		
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	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		
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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	
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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	
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TOTALS		147	69	216	211	147	

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
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TOTAL AMC REGISTRATIONS **200**

* Revised total

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	Application For Registration or Renewal

Comment:

1. Ownership; 1104.102(a) and (b)

Risk issue:

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%.

Justification to audit:

To confirm honesty in application and that persons with good moral character are owners of registered owners 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 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.

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.
- If new owners, have they been processed for background checks (10% owners).
- 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 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	Designation of Primary Contact; Appraiser Contact
<p>Comment:</p>	<p><u>1. Primary Contact; 1104.104</u></p> <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. <p><u>2. Appraiser Contact; 1104.103(b)(6)</u></p> <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 AMC with whom they can discuss appraisal assignment and compliance issues.</p> <p><u>Documentation needed:</u></p> <ul style="list-style-type: none"> • 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
3.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	1104.151	Employment of Certain Persons Prohibited

Comment: **1. Ordering and Reviewing Prohibited Person; 1104.151(a)(1)**

Risk issue:
Ensure the AMC has not employed an appraiser 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 in the position of ordering and reviewing appraisal assignments.
- A random selection of appraisal assignments and the communication associated with the assignment order, submission and review.
- The employment job description 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.

2. 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.

AGENDA ITEM 4

- 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.

4.	Yes	No	N/A	1104.155/159.155	Professional Standards; Periodic Review of Appraisers
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Comment: **1. Confirm the AMC has Reviewed the Appropriate Number of Appraisals; 22 Tex. Admin. Code § 159.155(a) and (b)**

- 1 of initial 5 appraisals performed by appraiser prior to making a sixth assignment (22 Tex. Admin. Code § 159.155(a)(1)) AND
- 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)).

Risk issue:
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.

Justification to audit:
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.

Documentation needed:

- 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 of all appraisals completed by AMC during 12-month period.
- Data from the AMC showing the total number of reviews completed by the AMC for that corresponding period.
- Documentation from AMC showing process by which appraisers were randomly selected for review.

Compliance determination:

- 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.

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:

- Copies of the reviews performed.
- Copies of the underlying appraisals being reviewed.
- 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.

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 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.

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 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.

5.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	1104.159/159.159	Disclosure of Registration Number
<p>Comment:</p>	<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. • Run a search on PACER for DBA names. • Run a search on Westlaw or Westlaw Next to search for DBA names. <p><u>Compliance determination:</u> 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.</p>					

6.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	1104.161/159.161 1104.162	Appraiser Panel
<p>Comment:</p>	<p><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>2. 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 remove appraiser panel members 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. • 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 of the dispute resolution process and all findings, if applicable. • Any related complaints filed with the Board by an appraiser. <p><u>Compliance determination:</u></p> <ul style="list-style-type: none"> • Select a given number of dropped appraisers from the AMC and ensure the procedure was properly followed. 					

- Select a given number of dropped appraisers for cause and ensure the procedure was properly followed.

1104.203. PROHIBITED PRACTICES

ADDENDUM