



MEETING AGENDA
AMC Advisory Committee

Thursday, October 5, 2023, 2:00 p.m.
Via Teleconference

To obtain meeting access information, contact Dione Frederick, Recording Secretary, at dione.frederick@talcb.texas.gov. You may join the virtual meeting from your computer, tablet or other internet access device. You may also dial in using your phone.

1. Call to order & roll call
2. Staff Reports
 - a. Executive
 - b. Licensing
 - c. Enforcement
3. Discussion and possible action regarding comments received regarding proposed rules for Chapter 159.
4. Discussion and possible action regarding amendments to 22 TAC §159.110, AMC National Registry
5. Review of committee meeting action items
6. Discussion regarding future agenda meeting items and meeting dates
7. Adjourn

The Texas Appraiser Licensing and Certification Board may meet with its attorney in executive session on any item listed above as authorized by the Texas Open Meetings Act, Chapter 551, Tex. Gov't Code.

**TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD
APPRAISAL MANAGEMENT COMPANY REGISTRATIONS**

August 2023

FISCAL YEAR	MONTH	Total Apps Received	Total AMC Registrations Issued	Total AMC Renewals Issued
2015 - Total				
		16	15	17
2016 - Total				
		10	11	128
2017 - Total				
		16	15	21
2018 - Total				
		12	12	121
2019 - Total				
		8	9	25
2020 - Total				
		14	15	107
2021 - Total				
		14	14	34
2022	Sep 21	2	2	2
	Oct 21	2	2	8
	Nov 21	2	2	4
	Dec 21	3	3	2
	Jan 22	0	0	3
	Feb 22	2	2	4
	Mar 22	1	1	12
	Apr 22	1	1	10
	May 22	3	1	24
	Jun 22	1	1	27
	July 22	3	0	11
	Aug 22	0	3	5
2022 - Total				
		20	18	112
2023	Sept 22	2	3	3
	Oct 22	3	2	5
	Nov 22	1	1	9
	Dec 22	0	2	0
	Jan 23	1	1	3
	Feb 23	1	0	1
	Mar 23	3	2	3
	Apr 23	3	3	1
	May 23	1	3	7
	Jun 23	3	2	2
	Jul 23	0	1	7
	Aug 23	1	1	2
Registrations issued from March 2012 to August 2023			335	
Registrations Expired > 6 months as of August 2023			-92	
Registrations Expired < 6 months as of August 2023			-1	
Registrations Surrendered			-30	
Registrations Revoked			-3	
Registrations Relinquished			-17	
Registrations Re-Issued > 6 months after expiration date			-8	
Federally Regulated AMCs			-2	
TOTAL AMC REGISTRATIONS			182	

AMC Registrations Year-Over-Year			
	Total AMC Registrations	Variance	% Change
Fiscal Year 17	172		
Fiscal Year 18	168	-4	-2%
Fiscal Year 19	162	-6	-4%
Fiscal Year 20	163	1	1%
Fiscal Year 21	175	12	7%
Fiscal Year 22	174	-1	-1%

AMC Enforcement Report

August 31, 2023

AMC Complaints Received																			
Case Classification	Year-Over-Year	FY2021	FY2022	FY2023	Month-Over-Month	Sept. 2022	Oct. 2022	Nov. 2022	Dec. 2022	Jan. 2023	Feb. 2023	Mar. 2023	Apr. 2023	May 2023	June 2023	July 2023	Aug. 2023		
Ethics		0	0	1		0	0	0	0	0	0	0	0	0	0	0	1	0	0
Laws & Rules		2	4	7		0	0	1	0	1	1	1	0	0	0	1	1	1	0
No Jurisdiction		6	4	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unlicensed Activity		0	0	1		0	0	0	0	1	0	0	0	0	0	0	0	0	0
Total		8	8	9		0	0	1	0	2	1	1	0	0	0	1	2	1	0

AMC Complaints Closed																			
Case Disposition	Year-Over-Year	FY2021	FY2022	FY2023	Month-Over-Month	Sept. 2022	Oct. 2022	Nov. 2022	Dec. 2022	Jan. 2023	Feb. 2023	Mar. 2023	Apr. 2023	May 2023	June 2023	July 2023	Aug. 2023		
Surrendered		0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agreed Final Order / Final Order		0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Disciplinary Action		0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insufficient Evidence		0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dismissed		0	2	8		0	0	0	0	1	3	1	1	1	1	0	0	0	1
No Jurisdiction	6	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total	6	7	8	0	0	0	0	1	3	1	1	1	1	0	0	0	1		



To: Chair Sara Oates and Distinguished Members of the Texas Licensing and Certification Board

From: Mark Schiffman, Executive Director, REVA

Date: August 18, 2023

Re: Support for Proposed AMC Rule Amendments (22 TAC Chapter 159)

The following comments are submitted on behalf of the Real Estate Valuation Advocacy Association (REVA), a collaborative of Appraisal Management Companies (AMC) and valuation providers offering residential real estate valuation services including appraisal management, Broker Price Opinions (BPO), Evaluations, Automated Valuation Models (AVM) and others on behalf of national, state and local lenders. AMCs are licensed in Texas and every other state, in accordance with federal and state legal and regulatory requirements.

We are pleased to support all the proposed new rules and amendments to 22 TAC Chapter 159 as outlined on TALCBs August 18, 2023 agenda (item 19).

Specifically, REVA is grateful for the opportunity to collaborate with TALCB leadership, staff and the AMC Committee in creating a thoughtful solution in amending §159.155. Periodic Review of Appraisals to ease a redundant and costly regulatory burden on Texas AMC licensees.

This proposed amendment to §159.155 is important because Texas is one of 11 states with AMC requirements whose administrative rule to perform periodic appraisal reviews goes beyond federal minimum requirements. The existing administrative rule is more restrictive than Texas law, which requires AMCs only to review appraisals for USPAP compliance as required under the federal minimum requirement.

REVA did support introduction of legislation to amend Title 7: Chapter 1104 in the 2023 Texas Legislative Session to revise the AMC statute pertaining to appraisal review, which was shared with TALCB in advance for review. This legislation passed the House Licensing and Administrative Procedures Committee and the House floor unanimously. In the Senate, this legislation was unanimously voted out of the Senate Business & Commerce Committee without amendment and was added to the Senate Local and Uncontested Calendar. There were no comments of concern from lawmakers and no witnesses in opposition to the bill in either committee hearing.

Ultimately, to our great disappointment, our legislation was removed from the Senate consent agenda with many other House bills that the Senate would not take up, chiefly driven by disagreement between the House and Senate unrelated to the substance of these bills. As a result, our legislation did not pass during the 2023 legislative session and cannot be reintroduced until 2025.

While the legislation would have provided clarity on an appraisal review, important and timely change can be made through the proposed rule amendments to §159.155 Periodic Review of Appraisals.

Thank you for considering our comments.



Via email

September 1, 2023

Ms. Chelsea Buchholtz
Executive Director, Texas Real Estate Commission
Commissioner, Texas Appraiser Licensing & Certification Board
1700 North Congress Avenue, Suite 400
Austin, TX 78701

Dear Commissioner Buchholtz,

We hope this letter finds you well. We are writing to express our support for a rule change that would provide regulatory relief to Appraisal Management Companies (AMCs) in Texas, specifically in relation to the periodic review of appraisals as outlined in §159.155 of the Texas Administrative Code.

As the author and sponsor of House Bill 1518 during the 88th Regular Legislative Session, we have a keen understanding of the challenges and concerns faced by AMCs operating in our state. While HB 1518 aimed to address some of these issues, we recognize that the bill did not advance to implementation due to reasons beyond its substance. Nonetheless, the core intention of the bill was to ease the regulatory burden on AMCs while ensuring consumer protection and compliance with the highest professional standards.

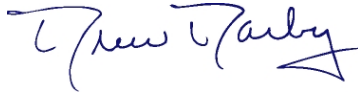
It has come to our attention that the Real Estate Valuation Advocacy Association (REVAA) has approached the Texas Appraiser Licensing and Certification Board (TALCB) with a request for a rule amendment that aligns with the spirit of HB 1518. Specifically, the proposed amendment would establish a documented process for the periodic review of AMC work, define the qualifications of appraisers conducting such reviews, and ensure adherence to the Uniform Standards of Professional Appraisal Practice (USPAP). We believe that these suggested changes would strike an appropriate balance between regulatory oversight and operational flexibility.

We wholeheartedly endorse REVAA's proposal and respectfully request that TALCB give thoughtful consideration to amending §159.155 in line with the outlined recommendations. By taking these steps, we can cultivate an atmosphere that nurtures innovation, encourages responsible business practices, and ultimately serves the interests of both industry stakeholders and consumers.

We would welcome the opportunity to engage in further dialogue with TALCB, REVAA, and other stakeholders to explore potential avenues for implementing these changes. Our shared goal is to ensure that the regulatory framework governing AMCs in Texas remains robust, effective, and reflective of the evolving industry landscape.

Thank you for your attention to this matter. We appreciate your dedication to upholding the highest standards within the real estate appraisal profession and your commitment to promoting a fair and competitive marketplace.

Sincerely,



Representative Drew Darby
Texas House of Representatives



Senator Tan Parker
Texas State Senate

cc: Members of the TALCB AMC Committee
Real Estate Valuation Advocacy Association (REVAA)

Texas Register

TITLE 22 EXAMINING BOARDS
PART 8 TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD
CHAPTER 159 RULES RELATING TO THE PROVISIONS OF THE TEXAS APPRAISAL
MANAGEMENT COMPANY REGISTRATION AND REGULATION ACT
RULE Periodic Review of Appraisals
§159.155
ISSUE 09/01/2023
ACTION Proposed

(a) A license holder must have a written policy reflecting a process and controls in place to periodically review the work of appraisers performing appraisal services on 1-4 family unit properties collateralizing mortgage obligations by performing a review in accordance with Standards 3 and 4 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 two percent, randomly selected, of the appraisals performed for the AMC for each twelve-month period following the date of the AMC's registration.]~~

~~[(b)Appraisal reviews performed pursuant to subsection (a)(1) of this section will be counted toward the calculation of two percent for the purposes of subsection (a)(2) of this section.]~~

~~[(c)An appraisal 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.]~~

(b)In accordance with 1104.156 of the Occupations Code, upon request by the Board, a license holder shall produce a copy of the written policy and information demonstrating compliance with the policy.

(c)[(d)] An appraiser is qualified to perform an appraisal review within the meaning of §1104.153 of the AMC Act if the appraiser conducting the review:

(1)is licensed or certified to act as an appraiser in Texas or another jurisdiction;

(2)holds the appropriate credential to have performed the appraisal being reviewed; and

(3)does not develop an opinion of value. If the reviewer elects to develop an opinion of value within the review, the reviewer must be licensed or certified to act as an appraiser in Texas.

(d)[(e)] To satisfy the requirements of the AMC Act and this rule, a license holder performing an appraisal review must perform a scope of work that is sufficient to ensure that methods, assumptions, data sources, and conclusions of the appraisal subject to review comply with USPAP.

~~[(f)If the reviewer elects to develop an opinion of value or review opinion, the review must comply with the additional provisions of Standards 3 and 4 of USPAP governing the development of an opinion of value or review opinion.]~~

3. Requirements for Federally Regulated AMCs

Participating States are not required to identify Federally regulated AMCs¹⁰² operating in their States, but rather the Federal financial institution regulatory agencies are responsible for requiring such AMCs to identify themselves to participating States and report required information.

A Federally regulated AMC shall not be included on the AMC Registry if such AMC, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for a substantive cause, as determined by the ASC.

E. Summary of Requirements

1. Participating States must establish and maintain an AMC Program with the legal authority and mechanisms consistent with the AMC Rule.¹⁰³
2. Participating States must impose requirements on AMCs consistent with the AMC Rule.¹⁰⁴
3. Participating States must enforce and document ownership limitations for State-registered AMCs.¹⁰⁵
4. Only those AMCs that meet the Federal definition of AMC will be eligible to be on the AMC Registry. Therefore, participating States that have a more expansive definition of AMCs than in the AMC Rule must ensure such non-Federally recognized AMCs are identified as such in the State database.¹⁰⁶
5. States must have funding and staffing sufficient to carry out their Title XI-related duties.¹⁰⁷

¹⁰² See footnote 97.

¹⁰³ 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 – 323.14; 12 CFR 1222.20 – 1222.26.

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

¹⁰⁶ Title XI § 1118 (b), 12 U.S.C. § 3347.

¹⁰⁷ *Id.*

¹⁰⁸ Title XI § 1103 (a) (6), 12 U.S.C. § 3332.

¹⁰⁹ Title XI § 1109 (a) (4), 12 U.S.C. § 3338.

¹¹⁰ Title XI § 1109 (a) (3) and (4), 12 U.S.C. § 3338.

POLICY STATEMENT 9

National Registry of AMCs (AMC Registry)

A. Requirements for the AMC Registry

Title XI requires the ASC to maintain the AMC Registry of AMCs that are either registered with and subject to supervision of a participating State or are operating subsidiaries of a Federally regulated financial institution.¹⁰⁸ Title XI further requires the States to transmit to the ASC: (1) reports on a timely basis of supervisory activities involving AMCs, including investigations resulting in disciplinary action being taken; and (2) the registry fee as set by the ASC¹⁰⁹ from AMCs that are either registered with a participating State or are Federally regulated AMCs.¹¹⁰

As with appraiser registry fees, Title XI, § 1109(a) (4) (b) requires the AMC registry fee to be collected by each participating State and transmitted to the ASC. Therefore, as with appraisers, an AMC will pay a registry fee in each participating State in which the AMC operates. As with appraisers, an AMC operating in multiple participating States will pay a registry fee in multiple States in order to be on the AMC Registry for each State.

States must notify the ASC as soon as practicable if an AMC listed on the AMC Registry is no longer registered with or operating in the State. The ASC extranet application allows States to update their AMC information directly to the AMC Registry.

B. Registry Fee and Invoicing Policies

Each State must remit to the ASC the annual registry fee, as set by the ASC, for AMCs to be listed on the AMC Registry. Requests to prorate refunds or partial-year registrations will not be granted.

If a State collects multiple-year fees for multiple-years, the State may choose to remit to the ASC the total amount of the multiple-year registry fees or the equivalent annual fee amount. The ASC will, however, record AMCs on the AMC Registry only for the number of years for which the ASC has received payment.

States must reconcile and pay registry invoices in a timely manner (45 calendar days after receipt of the invoice).

C. Reporting Requirements

State agencies must report all disciplinary action¹¹¹ taken against an AMC to the ASC via the extranet application within 5 business days after the disciplinary action is final, as determined by State law. States not reporting via the extranet application must provide, in writing to the ASC, a description of the circumstances preventing compliance with this requirement. For the most serious disciplinary actions (*e.g.*, any action that interrupts an AMCs ability to provide appraisal management services), the AMCs status must be changed on the AMC Registry to “inactive.” A Federally regulated AMC operating in a State must report to the State the information required to be submitted by the State to the ASC, pursuant to the ASC’s policies regarding the determination of the AMC registry fee.

D. Access to AMC Registry Data

The ASC website provides free access to the public portion of the AMC Registry at www.asc.gov. The public portion of the AMC Registry data may be downloaded using predefined queries or user-customized applications.

Access to the full database, which includes non-public data (*e.g.*, certain disciplinary action information), is restricted to authorized State and Federal regulatory agencies. States must designate a senior official, such as an executive director, to serve as the State’s Authorized Registry Official, and provide to the ASC, in writing, information regarding the designated Authorized Registry Official. States must ensure that the authorization information provided to the ASC is updated and accurate.

States must adopt and implement a written policy to protect the right of access, as well as the ASC issued User Name and Password.

E. Summary of Requirements

1. States must reconcile and pay registry invoices in a timely manner (45 calendar days after receipt of the invoice).¹¹²
2. State agencies must report all disciplinary action taken against an AMC to the ASC via the extranet application within 5 business days after the disciplinary action is final, as determined by State law.¹¹³
3. States not reporting via the extranet application must provide, in writing to the ASC, a description of the circumstances preventing compliance with this requirement.¹¹⁴
4. For the most serious disciplinary actions (*e.g.*, any action that interrupts an AMC’s ability to provide appraisal management services), the AMC’s status must be changed on the AMC Registry to “inactive.”¹¹⁵
5. States must notify the ASC as soon as practicable if an AMC listed on the AMC Registry is no longer registered with or operating in the State.
6. States must designate a senior official, such as an executive director, who will serve as the State’s Authorized Registry Official, and provide to the ASC, in writing, information regarding the selected Authorized Registry Official, and any individual(s) authorized to act on their behalf.¹¹⁶

¹¹¹ See Appendix B, *Glossary of Terms*, for the definition of “disciplinary action.”

¹¹² Title XI § 1118 (a), 12 U.S.C. § 3347; Title XI § 1109 (a), 12 U.S.C. § 3338.

¹¹³ Title XI § 1118 (a), 12 U.S.C. § 3347.

¹¹⁴ *Id.*

¹¹⁵ *Id.*

¹¹⁶ *Id.*

7. States must adopt and implement a written policy to protect the right of access to the AMC Registry, as well as the ASC issued User Name and Password.¹¹⁷
8. States must ensure the accuracy of all data submitted to the AMC Registry.¹¹⁸

POLICY STATEMENT 10

State Agency Enforcement

A. State Agency Regulatory Program

Title XI requires the ASC to monitor the States for the purpose of determining whether the State processes complaints and completes investigations in a reasonable time period, appropriately disciplines sanctioned AMCs and maintains an effective regulatory program.¹¹⁹

B. Enforcement Process

States must ensure that the system for processing and investigating complaints¹²⁰ and sanctioning AMCs is administered in a timely, effective, consistent, equitable, and well-documented¹²¹ manner.

1. Timely Enforcement

States must process complaints against AMCs in a timely manner to ensure effective supervision of AMCs. Absent special documented circumstances, final administrative decisions regarding complaints must occur within one year (12 months) of the complaint filing date. Special documented circumstances are those extenuating circumstances (fully documented) beyond the control of the State agency that delays normal processing of a complaint such as: complaints involving a criminal investigation by a law enforcement agency when the investigative agency requests that the State refrain from proceeding; final disposition that has been appealed to a higher court; documented medical condition of the respondent; ancillary civil litigation; and complex fraud cases that involve multiple individuals and reports. Such special documented circumstances also include those periods when State

rules require referral of a complaint to another State entity for review and the State agency is precluded from further processing of the complaint until it is returned. In that circumstance, the State agency should document the required referral and the time period during which the complaint was not under its control or authority.

2. Effective Enforcement

Effective enforcement requires that States investigate complaints, and if allegations are proven, take appropriate disciplinary or remedial action.

3. Consistent and Equitable Enforcement

Absent specific documented facts or considerations, substantially similar cases within a State should result in similar dispositions.

4. Well-Documented Enforcement

States must obtain and maintain sufficient relevant documentation pertaining to a matter so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations.

a. Complaint Files

Complaint files must:

- include documentation outlining the progress of the investigation;
- include rationale for the final outcome of the case (i.e., dismissal or imposition of discipline);
- include documentation explaining any delay in processing, investigation or adjudication;
- contain documentation that all ordered or agreed upon discipline is tracked and that completion of all terms is confirmed; and
- be organized in a manner that allows understanding of the steps taken throughout the complaint, investigation, and adjudicatory process.

¹¹⁷ *Id.*

¹¹⁸ *Id.*

¹¹⁹ Title XI § 1118 (a), 12 U.S.C. § 3347.

¹²⁰ See Appendix B, *Glossary of Terms*, for the definition of “complaint.”

¹²¹ See Appendix B, *Glossary of Terms*, for the definition of “well- documented.”

22 TAC § 159.110

§ 159.110. AMC National Registry

(a) For purposes of this rule, the term "AMC" includes each AMC registered with the Board under Chapter 1104, Occupations Code, including AMCs with an active or inactive license status, and each federally regulated AMC operating in this state.

(b) An AMC must provide information to the Board and pay the required AMC Registry Fee on an annual basis.

(c) The Board will send notice to each AMC regarding payment of AMC Registry Fees on or before November 1st of each calendar year.

(d) On or after January 1st and before March 31st of the calendar year following the issuance of notice under subsection (c), each AMC must:

(1) Submit the information required to determine the applicable AMC Registry Fee; and

(2) Pay the applicable AMC Registry Fee.

(e) The Board will transmit the information collected from each AMC to the Appraisal Subcommittee for inclusion on the AMC National Registry as required by federal law.

(f) Failure to receive notice from the Board regarding annual payment of AMC Registry Fees does not relieve an AMC from submitting the required information and paying the applicable AMC Registry Fee in a timely manner as required in this section.

(g) Failure to submit the required information and pay the applicable AMC Registry Fee in a timely manner as required in this section is a violation of this rule that may result in one or more of the following:

(1) ~~(1)~~ Assessment of a late fee; and

(2) Placement on inactive status; and

~~(2)~~(3) Disciplinary action, up to and including license revocation.