

Appraisal Subcommittee of the Federal Financial Institutions Examination Council

Statement of Regulatory Priorities

Introduction

The Appraisal Subcommittee of the Federal Financial Institutions Examination Council (Appraisal Subcommittee)¹ has several key statutory responsibilities under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, among other responsibilities.² The Appraisal Subcommittee monitors the appraisal regulations adopted by the Federal financial institutions regulatory agencies, ensuring appraisals for federally related transactions follow the Uniform Standards of Professional Appraisal Practice (USPAP), established by the Appraisal Standards Board of the Appraisal Foundation (the Foundation).³

The Appraisal Subcommittee monitors and reviews the practices, procedures, activities, and organizational structure of the Foundation.⁴ The Appraisal Subcommittee also monitors the requirements established by each State for the certification and licensing of individuals who are qualified to perform appraisals in connection with federally related transactions, including a code of professional responsibility.⁵ Since 2010, the Appraisal Subcommittee has also been responsible for monitoring the requirements established by each State for the registration and supervision of the operations and activities of an appraisal management company (AMC).⁶ The Appraisal Subcommittee is authorized to take action against a State for non-compliance.⁷

Additionally, the Appraisal Subcommittee maintains a national registry of State certified and licensed real estate appraisers eligible to perform appraisals for federally related transactions,⁸ as well as a separate national registry of AMCs that are either registered with and subject to supervision of a State appraiser certifying and licensing agency or operating subsidiaries of federally regulated financial institutions.⁹

¹ The Appraisal Subcommittee is composed of seven members, each designated by the head of a Federal agency (the Board of Governors of the Federal Reserve System (FRB), the Consumer Financial Protection Bureau (CFPB), the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), the National Credit Union Administration (NCUA), the Department of Housing and Urban Development (HUD), and the Federal Housing Finance Agency (FHFA)). *See* 12 U.S.C. 3310 and 12 U.S.C. 1708(g)(2).

² 12 U.S.C. Chapter 34A.

³ 12 U.S.C. 3332(a)(2).

⁴ 12 U.S.C. 3332(b).

⁵ 12 U.S.C. 3332(a)(1)(A).

⁶ 12 U.S.C. 3332(a)(1)(B).

⁷ 12 U.S.C. 3347.

⁸ 12 U.S.C. 3332(a)(3).

⁹ 12 U.S.C. 3332(a)(6).

Finally, the Appraisal Subcommittee operates a national hotline to address complaints related to non-compliance with appraisal independence standards and USPAP, which are referred by the Appraisal Subcommittee to other appropriate governmental authorities for investigation.¹⁰

Regulatory Priorities

Executive Order 14219 (Ensuring Lawful Governance and Implementing the President’s “Department of Government Efficiency” Deregulatory Initiative) was issued on February 19, 2025.¹¹ This Executive Order directed Federal agencies to review their regulations in order to identify those that do not comply with the law or align with the Administration’s policy. This Executive Order also mandates the repeal of any regulations deemed unlawful or that impose undue burdens, among other considerations.

In accordance with Executive Order 14219, the Appraisal Subcommittee conducted a review of its appraiser regulations found in part 1102 of title 12 of the Code of Federal Regulations (CFR). Although this regulatory review did not identify any of the classes of regulations specified in Executive Order 14219, the Appraisal Subcommittee has identified the opportunity to streamline its existing regulations in support of this deregulatory initiative by reducing administrative burdens, eliminating unnecessary paperwork, removing outdated or obsolete requirements, and ensuring compliance with applicable laws and policies, such as the FOIA Improvement Act of 2016. The revisions to these existing regulations aim to streamline implementation by enhancing the efficiency and effectiveness of the agency’s practices, ensuring the regulations are simple and easy to understand, promoting transparency for accountability, and decreasing the overall number of requirements. As part of this effort, the Appraisal Subcommittee plans to reduce the overall word count of its appraiser regulations found in part 1102 of title 12 of the CFR.

The following five Regulatory Identifier Numbers (RINs) have been identified as associated with the review:

RIN	Title
3139-AA02	Definitions for Appraiser Regulation
3139-AA03	Temporary Waiver Requests
3139-AA04	Appraisal Subcommittee’s Rules of Practice for Proceedings
3139-AA05	Appraisal Subcommittee's Privacy Act and Freedom of Information Act (FOIA) Regulations
3139-AA06	Appraisal Subcommittee's Appraisal Management Company Registry Fee Rule

¹⁰ 12 U.S.C. 3351(i).

¹¹ 90 FR 10583 (Feb. 19, 2025).

Specifically, the Appraisal Subcommittee is considering the following regulatory actions listed in the above chart: (1) consolidating all defined terms into a new centralized definitions section, (2) streamlining the regulations governing the practice and procedures of temporary waiver proceedings, (3) revising its rules of practice for proceedings to lessen administrative burdens, eliminate unnecessary paperwork, and streamline the efficiency and effectiveness of the agency's practices, (4) ensuring the agency's regulations implementing the Privacy Act and the Freedom of Information Act are current and consistent with applicable laws and policies, and (5) proposing to clarify the calculation of the national registry fee for AMCs that have not been in operation for over a year as set forth in 12 U.S.C. 3338(a)(4)(B)(ii).

Additionally, the Office of Management and Budget (OMB) is currently leading an effort to update title 2 of the CFR, which includes a proposal to incorporate OMB guidance regarding Federal awards into regulation. As part of this government-wide initiative, OMB has proposed a new chapter for the Appraisal Subcommittee to adopt 2 CFR 200 in subtitle B of title 2 of the CFR.

Significant Regulatory Priorities

The Appraisal Subcommittee is not planning to pursue any regulatory actions within the next 12 months, which would constitute a "significant regulatory action" under the definition of that term in Executive Order 12866.¹²

Repeal of Sub-Regulatory Guidance

On March 25, 2025, the Appraisal Subcommittee rescinded 43 outdated sub-regulatory guidance documents from its website in accordance with Executive Order 14219.¹³

¹² 58 FR 51735 (Oct. 4, 1993).

¹³ See, supra note 11.

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