

Supporting Statement
Minimum Standards for State Registration of
Appraisal Management Companies
OMB Control No. 1557-0324

A. *Justification.*

1. *Circumstances that make the collection necessary:*

The Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (FRB), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), Consumer Financial Protection Bureau (Bureau), and Federal Housing Finance Agency (FHFA) (collectively, Agencies) have rules implementing the minimum requirements in section 1473 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act)¹ to be applied by States in the registration and supervision of appraisal management companies (AMCs). The Agencies also have implemented the requirement in section 1473 of the Dodd-Frank Act for States to report to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC) the information required by the ASC to administer the new national registry of appraisal management companies (AMC National Registry or Registry).

2. *Use of the information:*

Written Notice of Appraiser Removal from Network or Panel - Disclosure Requirements

Twelve CFR 34.212(b) provides that an appraiser in an AMC's network or panel is deemed to remain on the network or panel until: (i) the AMC sends a written notice to the appraiser removing the appraiser from the appraiser panel with an explanation of its action; or (ii) receives written notice from the appraiser asking to be removed from the appraiser panel or notice of the death or incapacity of the appraiser.

Develop and Maintain a State Licensing Program - Recordkeeping Requirements

States seeking to register AMCs must have an AMC registration and supervision program. Twelve CFR 34.213(a) requires each participating State to establish and maintain within its appraiser certifying and licensing agency a licensing program with the legal authority and mechanisms to: (i) review and renew or review and deny an application for initial registration; (ii) periodically review and renew or deny renewal of an AMC's registration; (iii) examine the books and records of the AMC operating in the State and require the AMC to submit reports, information, and documents; (iv) verify that the appraisers on an AMC's panel hold valid State certifications or licenses, as applicable; (v) investigate and assess potential violations of applicable appraisal-related laws, regulations, or orders; (vi) discipline, suspend, terminate, or deny the registration renewals of an AMC that violates applicable appraisal-related laws, regulations, or orders; and (vii) report an AMC's violation of appraisal-related laws, regulations, or orders as well as disciplinary and enforcement actions and other relevant

¹ Pub. L. 111-203, sec. 1473, 124 Stat. 1376, 2190 (2010).

information about an AMC's operation to the ASC.

Twelve CFR 34.213(b) requires each participating State to impose requirements on AMCs that are not owned and controlled by an insured depository institution and not regulated by a federal financial institutions regulatory agency to: (i) register with and be subject to supervision by a State appraiser certifying and licensing agency in each State in which the AMC operates; (ii) engage only State-certified or State-licensed appraisers for federally-regulated transactions in conformity with any federally-related transaction regulations; (iii) establish and comply with processes and controls reasonably designed to ensure that the AMC, in engaging an appraiser, selects an appraiser who is independent of the transaction and who has the requisite education, expertise, and experience to competently complete the appraisal assignment for the particular market and property type; (iv) direct the appraiser to perform the assignment in accordance with Uniform Standards of Professional Appraisal Practices (USPAP); and (v) establish and comply with processes and controls reasonably designed to ensure that the AMC conducts its appraisal management services in accordance with section 129E(a)-(i) of the Truth in Lending Act, 15 U.S.C. 1639e(a) through (i) and the regulations thereunder.

AMC Disclosure Requirements (State regulated AMCs)

Section 34.214 provides that an AMC may not be registered by a State or included on the AMC National Registry if such company is owned, directly or indirectly, by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State. Each person that owns more than 10 percent of an AMC shall submit to a background investigation carried out by the State appraiser certifying and licensing agency. While section 34.214 does not authorize States to conduct background investigations of federally-regulated AMCs, it would allow a State to do so if the federally-regulated AMC chooses to register voluntarily with the State.

AMC Disclosure Requirements (federally-regulated AMCs)

Section 34.215(c) requires that a federally-regulated AMC must report to the State or States in which it operates the information required to be submitted by the State pursuant to the ASC's policies, including: (i) information regarding the determination of the AMC National Registry fee and (ii) the information listed in section 34.214.

3. *Consideration of the use of improved information technology:*

Respondents may use any type of improved information technology they have available to meet the requirements of this regulation.

4. Efforts to identify duplication:

This information is not available elsewhere.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

There are no alternatives that would result in lowering the burden on small institutions, while still accomplishing the purpose of the rule.

6. Consequences to the federal program if the collection were conducted less frequently:

Less frequent collection would result in safety and soundness concerns.

7. Special circumstances necessitating collection inconsistent with 5 CFR Part 1320:

This collection is conducted in accordance with the guidelines in 5 CFR 1320.6.

8. Efforts to consult with persons outside the agency:

The OCC issued a notice for 60 days of comment regarding this collection on October 15, 2024, 89 FR 83087. No comments were received.

9. Payment to respondents.

There is no payment to respondents.

10. Any assurance of confidentiality:

The information will be kept confidential to the extent permitted by law.

11. Justification for questions of a sensitive nature:

Not applicable. No personally identifiable information is collected.

12. Estimate of Hour Burden Including Annualized Hourly Costs:

Summary of Estimated Annual Burden (OMB No. 1557-0324)					
Information Collection (IC) (Obligation to Respond)	Type of Burden (Frequency of Response)	Number of Respondents	Number of Responses per Respondent	Time per Response (HH:MM)	Annual Burden (Hours)
1. Written Notice of Appraiser Removal from Network or Panel, 12 CFR 34.212(b) (Mandatory)	Disclosure (On occasion)	8,481	1	00:05	707
2. Develop and Maintain a State Licensing Program, 12 CFR 34.213(a) and (b) (Mandatory)	Recordkeeping (On occasion)	1	1	40:00	40
3. AMC Disclosure Requirements (State regulated AMCs), 12 CFR 34.214 (Mandatory)	Disclosure (On occasion)	1,206	1	01:00	1,206
4. AMC Disclosure Requirements (federally-regulated AMCs), 12 CFR 34.215(c) (Mandatory)	Disclosure (On occasion)	38	1	01:00	38
Total Annual Burden (Hours):					1,991

Total Estimated Annual Burden: 1,991 hours.

Cost of Hour Burden: 1,991 hours x \$ 129.40 per hour = \$257,635.40

To estimate wages the OCC reviewed May 2023 data for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for credit intermediation and related activities (NAICS 5220A1). To estimate compensation costs associated with the rule, the OCC uses \$129.40 per hour, which is based on the average of the 90th percentile for six occupations

adjusted for inflation (4.3 percent as of Q1 2024), plus an additional 34.6 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2023 for NAICS 522: credit intermediation and related activities).

13. *Estimate of Start-up Costs to Respondents:*

None.

14. *Estimate of annualized costs to the government:*

None.

15. *Changes in burden:*

Prior Burden: 2,455 hours.

Current Burden: 1,991 hours.

Difference: - 464 hours.

The difference in burden is due to the availability of more accurate burden estimates.

16. *Information regarding collections whose results are planned to be published for statistical use:*

The OCC has no plans to publish the information for statistical use.

17. *Display of expiration date.*

Not applicable.

18. *Exceptions to certification statement.*

None.

B. *Collections of Information Employing Statistical Methods.*

Not applicable.