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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

October 24, 2019

Ms. Nicole Novotny Smith, Executive Director  
Wyoming Real Estate Commission  
Wyoming Certified Real Estate Appraiser Board  
2617 E. Lincolnway, Suite H  
Cheyenne, WY 82002

RE: ASC Compliance Review of Wyoming's Appraisal Management Company (AMC) Regulatory Program

Dear Ms. Novotny Smith:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Wyoming AMC regulatory program (AMC Program) on June 18-20, 2019, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The AMC Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) is attached.

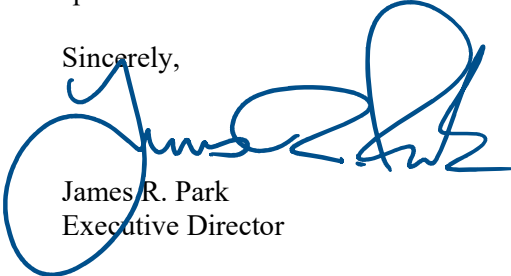
The ASC identified the following area(s) of non-compliance:

- Participating States must impose requirements on AMCs consistent with the AMC Rule;<sup>1</sup> and
- Participating States must enforce and document ownership limitations for State-registered AMCs.<sup>2</sup>

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Wyoming will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



James R. Park  
Executive Director

Attachment

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<sup>1</sup> 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

<sup>2</sup> 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul>	1-year
Poor	<ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>	Continuous monitoring

\*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

**ASC State AMC Program Compliance Review Report**

ASC Finding: Good  
Final Report Issue Date: October 24, 2019

**Wyoming AMC Regulatory Program (State)**

<b>Wyoming Certified Real Estate Appraiser Board (Board)</b>	PM: K. Klamet	ASC Compliance Review Date: June 18-20, 2019	Review Period: August 2017 to June 2019
<b>Umbrella Agency: Wyoming Real Estate Commission</b>		Number of AMCs on AMC Registry: 0	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
<b>Statutes, Regulations, Policies and Procedures:</b>		X					
Participating States must impose requirements on AMCs consistent with the AMC Rule. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.)				A regulated AMC must notify appraisers on its appraiser panel before their removal from the panel. The State allows regulated AMCs to remove an appraiser from its panel, without notice, within the first 90 days after the appraiser is first added to the appraiser panel.	On September 19, 2019, the State reported the statutes governing AMCs will be amended and submitted to the Wyoming Legislature for their consideration during the 2020 Legislative session. The language, if adopted, will remove the 90-day window wherein an AMC may remove an appraiser from their panel without notice.	The State must continue the process to amend its statutes to bring them into compliance with the AMC rule and Policy Statement 8.	Upon adoption, please provide ASC staff with copies of the adopted statute changes.
<b>Statutes, Regulations, Policies and Procedures continued:</b>		X					
Participating States must enforce and document ownership limitations for State-registered AMCs. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.)				A regulated AMC is not barred from being registered by a State or included on the AMC National Registry if the appraiser credential of the appraiser with an ownership interest was not revoked for a substantive cause and has been reinstated by the State or States in which the appraiser was licensed or certified.  The State omits the requirement that the credential must have been reinstated.	On September 19, 2019, the State reported the statutes governing AMC's will be amended and submitted to the Wyoming Legislature for their consideration during the 2020 Legislative session. The language, if adopted, should clarify AMC ownership privileges.	The State must continue the process to amend its statutes to bring them into compliance with the AMC rule and Policy Statement 8.	Upon adoption, please provide ASC staff with copies of the adopted statute changes.
<b>National Registry:</b>	X						
				No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>	X						
				No compliance issues noted.	N/A	None	None