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Appraisal Subcommittee

Federal Financial Institutions Examination Council

February 27, 2020

Mr. Fred Samuelson, Chairman
Kansas Real Estate Appraisal Board
Jayhawk Tower
700 SW Jackson, Suite 804
Topeka, KS 66603

RE: ASC Compliance Review of Kansas' Appraiser Regulatory Program

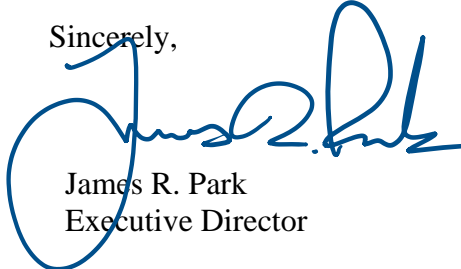
Dear Mr. Samuelson:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Kansas appraiser regulatory program (Appraiser Program) on November 4-5, 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 Appraiser Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the Kansas Appraiser Program is attached.

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
cc: Ms. Sally Pritchett, Director

ASC Finding Descriptions

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

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

¹ An ASC Finding of “Poor” may result in significant consequences to the State. *See Policy Statement 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.*

ASC State Appraiser Program Compliance Review Report						ASC Finding: Good	
						Final Report Issue Date: February 27, 2020	
Kansas Appraiser Regulatory Program (State)							
Kansas Real Estate Appraisal Board (Board)		PM: N. Fenchietti		ASC Compliance Review Date: November 4-5, 2019		Review Period: October 2017 to November 2019	
Umbrella Agency: Independent				Number of State Credentialed Appraisers on Appraiser Registry: 990		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				
Statutes, Regulations, Policies and Procedures:			X				
States must, at a minimum, adopt and/or implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.)				AQB Criteria requires a specific number of credit hours in identified college courses in lieu of a degree. The State's regulations do not include all the required courses and do not include the number of credit hours for each subject.	On February 5, 2020, the State reported the Board is in the process of amending its regulations to reflect the specific number of credit hours in identified College Level courses. The State also reported a policy was created by the Board to begin implementing the change on November 8, 2019.	The State should continue the process to amend its regulations to bring them into compliance with AQB Criteria, and provide the ASC staff with a copy of the rules once finalized.	Upon adoption, please provide ASC staff with copies of the adopted regulation changes.
Statutes, Regulations, Policies and Procedures continued:			X				
States must, at a minimum, adopt and/or implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.)				AQB Criteria requires a specific number of credit hours in identified College Level Examination Program (CLEP) courses in lieu of a degree. The State's regulations include subjects not contained in the Criteria and fail to indicate the number of credit hours required for each subject.	On February 5, 2020, the State reported the Board is in the process of amending its regulations to reflect the specific number of credit hours in identified College Level Examination Program (CLEP) courses in lieu of a degree. The State also reported a policy was created by the Board to begin implementing the change on November 8, 2019.	The State should continue the process to amend its regulations to bring them into compliance with AQB Criteria, and provide the ASC staff with a copy of the rules once finalized.	Upon adoption, please provide ASC staff with copies of the adopted regulation changes.
Temporary Practice:	X						
				No compliance issues noted.	N/A	None	None
National Registry:	X						
				No compliance issues noted.	N/A	None	None
Application Process:	X						
				No compliance issues noted.	N/A	None	None

ASC State Appraiser Program Compliance Review Report				ASC Finding: Good			
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Umbrella Agency: Independent		Number of State Credentialed Appraisers on Appraiser Registry: 990		Review Period: October 2017 to November 2019			
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				
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:	X			No compliance issues noted.	N/A	None	None