

November 30, 2023

Via Email

Kristel Hennessy Hemler, Board Administrator
State Board of Certified Real Estate Appraisers
Bureau of Professional and Occupational Affairs
Pennsylvania Department of State
P.O. Box 2649
Harrisburg, PA 17105
khennessyh@pa.gov

RE: ASC Compliance Review of Pennsylvania's Appraiser Regulatory Program

Dear Kristel Hennessy Hemler:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Pennsylvania appraiser regulatory program (Appraiser Program) on August 15-17, 2023, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

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 Pennsylvania Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances;¹ and
- States must maintain adequate documentation to support verification of all claimed education.;²

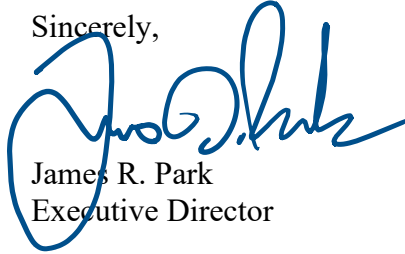
ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Pennsylvania will remain on a two-year Review Cycle.

¹ 12 U.S.C. § 3347; Policy Statement 7 B.

² 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.

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,

A handwritten signature in blue ink, appearing to read "James R. Park". The signature is stylized and fluid, with a large initial "J" and "P".

James R. Park
Executive Director

Attachment

cc: Ronald K. Rouse, Board Counsel, rorouse@pa.gov
Sparkle Thompson, Division Chief, spthompson@pa.gov
Ray Michalowski, Senior Prosecutor, rmichalows@pa.gov

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**	<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.

** 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: November 30, 2023

Pennsylvania Appraiser Regulatory Program (State)		
Pennsylvania State Board of Certified Real Estate Appraisers (Board)	PM: N. Fenochietti	ASC Compliance Review Date: August 15-17, 2023
Umbrella Agency: Bureau of Professional and Occupational Affairs	Number of State Credentialed Appraisers on Appraiser Registry: 3,053	Review Period: August 2021 to August 2023
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			No compliance issues noted.	N/A	None	None
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		1 application file did not contain sufficient documentation to support the applicant's claimed college education was equivalent to real estate appraiser education required by AQB Criteria.	On October 30, 2023, the State reported it has made outreach to obtain documentation of completion of two AQB-compliant courses that were not in the Board's electronic records.	The State must ensure that this applicant's education met AQB Criteria and document the file accordingly. In addition, the State must ensure all documentation to support each applicant's education are included in the applicant's file and available to ASC staff for future Compliance Reviews.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4.
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:		X		The State had 6 aged complaints of which 2 were unresolved for more than 1 year and 2 were unresolved for more than 2 years without the exemption for special documented circumstances.	On October 30, 2023, the State reported that three of the four disciplinary cases that were over one year in age have been resolved and closed. In addition, the State added an attorney to the team that handles appraiser enforcement matters.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7.