

March 4, 2025

Via Email

Donald DeFedele, Associate Director
Division of Commercial Licensing and Regulation
Department of Business Regulation
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02920
Donald.DeFedele@dbr.ri.gov

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

Dear Donald DeFedele:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Rhode Island AMC regulatory program (AMC Program) on July 30 – August 1, 2024, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.¹

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 of non-compliance:

- States must ensure the accuracy of all data submitted to the AMC Registry;²

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

The final ASC Compliance Review Report (Report) of the Rhode Island AMC Program is attached.

¹ 12 U.S.C. §§ 3331-3356

² 12 U.S.C. § 3347; Policy Statement 9.

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 black ink, appearing to read 'M Ponzar', written in a cursive style.

Matt Ponzar
Acting Executive Director

Attachment

cc: William DeLuca, Real Estate Administrator, William.DeLuca@dbr.ri.gov
Amy Stewart, Chief of Legal Services, Amy.Stewart@dbr.ri.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 AMC Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: March 4, 2025

Rhode Island AMC Regulatory Program (State)			
Rhode Island Real Estate Appraisers Board (Board)	PM: K. Klamet	ASC Compliance Review Date: July 30-August 1, 2024	Review Period: September 2022 to August 2024
Umbrella Agency: Department of Business Regulation		Number of AMCs on AMC Registry: 79	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
National Registry:		X					
States must ensure the accuracy of all data submitted to the AMC Registry. (12 U.S.C. § 3347; Policy Statement 9.)				The State failed to report 4 AMCs to the AMC Registry and failed to update name changes for 2 AMCs.	On November 6, 2024, the State provided ASC staff with a copy of the State's updated AMC operations manual that includes a new AMC registry report that will be generated weekly to ensure AMCs are reported timely to the Registry, and updates to existing AMCs are also reported in a timely manner. At the same time, the State reported that in the interim, staff will manually track and review all new AMC applications and any amendments to existing registrations.	The State must monitor the revised procedures to ensure that it submits all information to the AMC Registry in a timely manner.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 9.
Enforcement:	X			No compliance issues noted.	N/A	None	None