

April 28, 2025

Via Email

Charles F. Kirk, Executive Director
New Jersey State Real Estate Appraiser Board
P.O. Box 45032
Newark, NJ 07101
KirkC@dca.njoag.gov

RE: ASC Compliance Review of New Jersey's Appraiser Regulatory Program

Dear Charles Kirk:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the New Jersey appraiser regulatory program (Appraiser Program) on February 4-6, 2025, to determine the 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 Appraiser Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the New Jersey Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- Prior to reactivation, a credential holder in an inactive status must complete the continuing education that would have been required if the credential holder had been in active status;²
- States must track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any;³ and
- States must submit appraiser data to the ASC at least monthly. If a State's data does not change during the month, the State agency must notify the ASC in writing.⁴

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

¹ 12 U.S.C. §§ 3331-3356.

² 12 U.S.C. § 3347(a); Policy Statement 4 C.

³ 12 U.S.C. § 3351; Policy Statement 2 B.

⁴ 12 U.S.C. § 3347; Policy Statement 3 D.

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 'MPonzar', with a stylized, flowing script.

Matt Ponzar
Acting Executive Director

Attachment


cc: Joseph Palumbo, Board President, JoePal2@comcast.net


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.

<div></div> <div>ASC State Appraiser Program Compliance Review Report</div>							ASC Finding: Good		
							Final Report Issue Date: April 28, 2025		
New Jersey Appraiser Regulatory Program (State)									
New Jersey State Real Estate Appraiser Board (Board)			PM: A. Nespor		ASC Compliance Review Date: February 4-6, 2025			Review Period: January 2023 to December 2024	
Umbrella Agency: Division of Consumer Affairs				Number of State Credentialed Appraisers on Appraiser Registry: 2,438			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 have funding and staffing sufficient to carry out their Title XI-related duties. (12 U.S.C. § 3347; Policy Statement 1 B.)					The 11-member Board currently has 7 vacancies. The Board members have substantial responsibilities in reviewing application and enforcement files. Loss of one or more current board members could result in an inability to timely process applications and complaints.	On April 23, 2025, the State reported that Board members are appointed by the Governor with the advice and consent of the Senate. The Real Estate Appraiser Board has advised the Division of Consumer Affairs of the ASC's concern. Notwithstanding Board member vacancies, presently, applications and complaints are processed timely.	The State should continue to monitor the appointment process and encourage the appointment of members to the 7 vacant positions.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.	
Statutes, Regulations, Policies and Procedures (continued):			X						
Prior to reactivation, a credential holder in an inactive status must complete the continuing education that would have been required if the credential holder had been in active status. (12 U.S.C. § 3347(a); Policy Statement 4 C.)					Prior to reactivation, Appraiser Qualifications Board Criteria require a credential holder in inactive status to complete continuing education (CE) that would have been required if the credential holder had been in active status. State regulation requires evidence of having completed all CE credits for the current biennial registration period, which were required to be completed during the biennial period immediately prior to the renewal period for which reinstatement is sought. However, it does not account for the CE during the entire period that the license was inactive.	On April 23, 2025, the State reported that they will seek an amendment to regulation to account for the CE during the entire period that the license was inactive. In practice, the State requires a credential holder in inactive status to complete CE that would have been required if the credential holder had been in active status.	The State must continue the process to amend its regulations to bring them into compliance with AQB Criteria, and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.	

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Applicable Federal Citations		Compliance (YES/NO) Areas of Concern (AC)		ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Temporary Practice:			X				
States must track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any. (12 U.S.C. § 3351; Policy Statement 2 B.)				Permit log does not include the date completed application received. This information is in the application file.	On April 23, 2025, the State reported that the Permit log has been amended to include the date completed application received.	The State should monitor use of the amended Permit log for temporary practice permit processing to ensure compliance.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry:			X				
States must submit appraiser data to the ASC at least monthly. If a State's data does not change during the month, the State agency must notify the ASC in writing. (12 U.S.C. § 3347; Policy Statement 3 D.).				In 6 months during the review period, the State did not submit data to the ASC and did not notify the ASC in writing that the data did not change during the month.	On April 23, 2025, the State reported that they will submit data monthly and will explore automatic data submissions to the ASC with the Division of Consumer Affairs IT Department.	The state must submit appraiser data to the ASC at least monthly, and notify the ASC in writing if the State's data does not change during the month.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process:		X					
				No compliance issues noted.	N/A	None	None
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