

July 1, 2025

Via Email

Sally Pritchett, Director
Kansas Real Estate Appraisal Board
700 S. Jackson, Suite 804
Topeka, KS 66603
Sally.Pritchett@ks.gov

RE: ASC Compliance Review of Kansas' Appraiser Regulatory Program

Dear Sally Pritchett:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Kansas appraiser regulatory program (Appraiser Program) on November 19-21, 2024, to determine the Appraiser 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 is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the Kansas Appraiser Program is attached.

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

- State requirements for trainee appraisers and supervisory appraisers must meet or exceed the AQB Criteria;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
- States must ensure the accuracy of all data submitted to the Appraiser Registry;⁴
- States must exercise due diligence in determining whether submitted documentation of experience or work product demonstrates compliance with USPAP on all initial or upgrade applications for appraiser credentialing;⁵
- States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria.⁶
- States must maintain relevant documentation to enable understanding of the facts and determinations in the matter and the reasons for those determinations;⁷ and

¹ 12 U.S.C. §§ 3331-3356.

² 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C.

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

⁴ 12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 3 A, D.

⁵ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 D.

⁶ 12 U.S.C. § 3347; Policy Statement 6 A.

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

- States must ensure that the system for processing and investigating complaints and sanctioning appraisers is administered in an effective, consistent, equitable, and well-documented manner.⁸

The State reported that it has taken some corrective actions and indicated it will implement additional steps to address ASC staff concerns. ASC staff will confirm appropriate corrective actions have been taken through off-site monitoring and during the next Review. Kansas 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,



Luke H. Brown
Acting Chair

Attachment

cc: Trecia McDowell, Chair, Trecia.McDowell@Sedgwick.gov

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

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: Needs Improvement

Final Report Issue Date: July 1, 2025

Kansas Appraiser Regulatory Program (State)			
Kansas Real Estate Appraisal Board	PM: T. Lewis	ASC Compliance Review Date: November 19-21, 2024	Review Period: November 2022 to November 2024
Umbrella Agency: Independent	Number of State Credentialed Appraisers on Appraiser Registry: 1,185		Review Cycle: Two Year with Follow Up

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					
State requirements for trainee appraisers and supervisory appraisers must meet or exceed the AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C.)				Title XI requires that any minimum qualification requirements established by a State for individuals in the position of "Trainee Appraiser" and "Supervisory Appraiser" must meet or exceed the minimum qualification requirements of the AQB. The State requires unlicensed appraiser applicants to have a Supervisory Appraiser. Since the AQB Criteria are all-inclusive this would require the State to impose all the AQB Criteria requirements on unlicensed appraiser applicants.	On April 3, 2025, the State reported that they do not consider the Trainee Credential as being an appraiser and that it would be illogical to require Trainee Appraisers to take continuing education (CE) as almost all CE addresses advanced issues that would exceed the Trainee's knowledge and experience. Although an AQB requirement, the State considers requiring CE for Trainees to be an unnecessary burden. The State further notes that it does require its Provisional Licensed Appraisers to demonstrate that they have met all required CE necessary for the renewal of their credential.	The State's practice of allowing unregistered trainees to comply with only some of the minimum AQB requirements in contrast to its "Provisional Trainees," who must fully adhere to the AQB Criteria, is inconsistent with Title XI. As such, the State must amend its Statutes and Regulations to bring them into compliance with AQB Criteria and provide ASC staff with a copy once finalized.	ASC staff will monitor this required action and conduct a Follow-up Review to confirm compliance.
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.)				The State temporary practice permit log does not track the date the completed application was received.	In their April 3, 2025, response, the State indicated that they will immediately begin to track the date a completed temporary permit application was received.	Within 30 days, the State must provide ASC staff with a copy of its new Temporary Practice Log.	ASC staff will monitor this required action and conduct a Follow-up Review to confirm compliance.



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Umbrella Agency: Independent				Number of State Credentialed Appraisers on Appraiser Registry: 1,185		Review Cycle: Two Year with Follow Up	
Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
National Registry:		X					
States must ensure the accuracy of all data submitted to the Appraiser Registry. (12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 3 A, D.)				The State reported 1 appraiser to the Appraiser Registry who did not meet the experience necessary for the initial issuance of their credential and was not qualified to be included on the Appraiser Registry.	On April 3, 2025, the State reported that in some circumstances, the client will refuse to accept an appraisal report where a non-licensed individual was either noted as contributing to or signed the appraisal report.	The State must review files of all applicants for appraiser credentials during the Review Period and identify those that did not provide proof of experience consistent with AQB Criteria, contact those identified to obtain the needed documentation for the file, and report the results of their examination to ASC staff within 30 days. The State must ensure all appraiser(s) meet AQB Criteria or inactivate the credential(s) on the National Registry.	ASC staff will monitor this required action and conduct a Follow-up Review to confirm compliance.
Application Process:		X					
States must exercise due diligence in determining whether submitted documentation of experience, or work product demonstrates compliance with USPAP on all initial or upgrade applications for appraiser credentialing. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 D.)				1 application file did not contain adequate documentation to support that the work product demonstrated compliance with USPAP on an initial application.	On April 3, 2025, the State reported that in some circumstances, the client will refuse to accept an appraisal report where a non-licensed individual was either noted as contributing to or signed the appraisal report.	The State must review files of all applicants for appraiser credentials during the Review Period and identify those that did not provide proof of submission of USPAP compliant experience consistent with AQB Criteria and contact those identified to obtain the needed documentation for the file. The State must report the results of their examination to ASC staff within 30 days. The State must ensure all appraiser(s) meet AQB Criteria or take appropriate action.	ASC staff will monitor this required action and conduct a Follow-up Review to confirm compliance.
Reciprocity:	X						
				No compliance issues noted.	N/A	None	None




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Umbrella Agency: Independent					Number of State Credentialed Appraisers on Appraiser Registry: 1,185		Review Cycle: Two Year with Follow Up	
Applicable Federal Citations		Compliance (YES/NO) Areas of Concern (AC)		ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments	
	YES	NO	AC					
Education:		X						
States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria. (12 U.S.C. § 3347; Policy Statement 6 A.)				AQB Criteria requires CE courses to cover real property related appraisal topics. The State approved 5 CE courses without sufficient documentation in the file to determine the appropriateness of the content.	In their April 3, 2025, response, the State indicated that their process was to accept the same CE hours granted by the hosting state and that for most of these courses, they believed that the target audience of these seminars was rural appraisers.	Within 60 days, the State must review all approved courses using their new process to determine whether they meet AQB Criteria, remove the courses or hours that do not, and notify ASC staff in writing of the State's findings.	ASC staff will verify the effectiveness of the new process during a Follow-up Review.	
					The State goes on to say that they have amended their process to have a Board Member review any questionable material and provide a summary of the course material addressing applicablty to real property appraisal practice for the whole Board to consider prior to approving a CE course.			
Enforcement:		X						
States must maintain relevant documentation to enable understanding of the facts and determinations in the matter and the reasons for those determinations. (12 U.S.C. § 3347; Policy Statement 7 B.)				5 of 13 files selected lacked the documentation needed to understand the facts and considerations in disciplinary cases and the reasons for those determinations.	On April 3, 2025, the State noted that they will have begun to include more documentation in their enforcement files to better explain the rationale for their disciplinary decisions.	Within 60 days, the State must develop a plan to ensure that disposition of case resolution is consistent, appropriate and equitable; and the complaint process is well documented and available to ASC staff during the on-site portion of the Review. The State must provide ASC staff with a copy of its plan within 60 days.	ASC staff will verify the effectiveness of the new process during a Follow-up Review.	

<div></div> <div>ASC State Appraiser Program Compliance Review Report</div>							ASC Finding: Needs Improvement				
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		YES	NO	AC							
Enforcement (continued):			X								
States must ensure that the system for processing and investigating complaints and sanctioning appraisers is administered in an effective, consistent, equitable and well-documented manner. (12 U.S.C. § 3347; Policy Statement 7 B.)					The State dismissed 18 complaints without sufficient documentation to support the rationale for dismissal.	On April 3, 2025, the State reported that "Tips" from Fannie Mae are not interpreted as "complaints." The State points to language at the bottom of each of the "Tips" stating that they are not complaints but may be an area of possible concern.	The examination of the State's complaint files found inconsistency with how FNMA "Tips" communications were treated. Some cases were opened while in other cases the State did not pursue investigation. The State should include sufficient documentation to support a decision for the dismissal of an allegation that it contends does not rise to the level of a complaint.	Through off-site monitoring, during a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance.			