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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' Appraisal Management Company (AMC) Regulatory Program

Dear Mr. Samuelson:

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

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

## ASC State AMC Program Compliance Review Report

ASC Finding: Excellent

Final Report Issue Date: February 27, 2020

### Kansas AMC Regulatory Program (State)

Kansas Real Estate Appraisal Board (Board)

PM: N. Fenochietti

ASC Compliance Review Date: November 4-5, 2019

Review Period: October 2017 to November 2019

Umbrella Agency: Independent

Number of AMCs on AMC Registry: 0

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				
<b>Statutes, Regulations, Policies and Procedures:</b>	X						
Participating States must impose requirements on AMCs consistent with the AMC Rule. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.)				An AMC must notify appraisers on its appraiser panel before their removal from the panel. The State allows an AMC to remove an appraiser from its panel, without notice, within the first 30 days after the appraiser is first added to the appraiser panel.	On February 5, 2020, the State reported the statutes provided to ASC staff were outdated and were amended in 2018. A copy of the amended statutes were provided to ASC staff.	None	None
<b>Statutes, Regulations, Policies and Procedures continued:</b>	X						
Participating States must enforce and document ownership limitations for State-registered AMCs. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.)				An AMC shall not be registered or included on the AMC National Registry if such AMC, in whole or in part, directly or indirectly, is owned by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State for a substantive cause. The statute incorrectly limits the requirement to owners of more than 10%.	On February 5, 2020, the State reported the statutes provided to ASC staff were outdated and were amended in 2018. A copy of the amended statutes were provided to ASC staff.	None	None
<b>National Registry:</b>	X						
				No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>	X						
				No compliance issues noted.	N/A	None	None