

November 14, 2023

Via Email

Debbie Yanosy, Real Estate Examiner
Department of Consumer Protection
450 Columbus Boulevard, Suite 901
Hartford, CT 06103
Debbie.Yanosy@ct.gov

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

Dear Debbie Yanosy:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Connecticut appraiser regulatory program (Appraiser Program) on April 25-27, 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 Connecticut Appraiser Program is attached.

The ASC identified the following area of non-compliance:

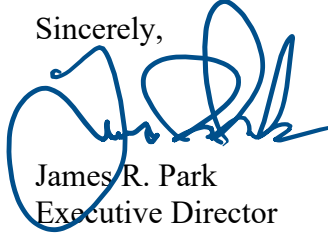
- States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action.¹

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

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

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", is written over the typed name and title.

James R. Park
Executive Director

Attachment

cc: Bryan Cafferelli, Commissioner, Bryan.Cafferelli@ct.gov
Pamela Brown, Director, Pamela.Brown@ct.gov
Vicky Bullock, Staff Attorney, Vicky.Bullock@ct.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 14, 2023

Connecticut Appraiser Regulatory Program (State)		PM: T. Lewis	ASC Compliance Review Date: April 25-27, 2023	Review Period: May 2021 to March 2023
Connecticut Real Estate Appraisal Commission			Number of State Credentialed Appraisers on Appraiser Registry: 1211	Review Cycle: Two Year
Umbrella Agency: Department of Consumer Protection				

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					
States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action. (12 U.S.C. § 3351; Policy Statement 2 B.)				The State failed to process requests for temporary practice permits within 5 business days of receipt of a completed application.	On August 15, 2023, the State reported that its licensing services unit implemented a new automated report indicating pending applications, prompting the Director to follow up with staff to ensure timely processing.	The State must monitor the new process to ensure temporary practice permits are issued within 5 business days of receipt of application.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2.
National Registry:			X				
States must reconcile and pay registry invoices in a timely manner. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 B.)				The State failed to reconcile and pay registry invoices in a timely manner (45 calendar days after the invoice date).	On August 15, 2023 the State reported that they were caught up with all outstanding registry invoices. The State further reported that program staff underwent training to streamline their invoice payment approval process, ensuring invoices are reconciled and paid within the specified time frame.	The State should monitor their new process to ensure National Registry of Appraisers Invoices are reconciled and paid timely.	None
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