

May 16, 2024

Via Email

Sharath Chandra, Administrator
Nevada Real Estate Division
Irwin Financial Building
1818 E. College Parkway, Suite 110
Carson City, NV 89706-7986
SChandra@red.nv.gov

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

Dear Sharath Chandra:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Nevada AMC regulatory program (AMC Program) on June 13-15, 2023, to determine the AMC 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 AMC Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) is attached.

The ASC identified the following areas of non-compliance:

- Only those AMCs that meet the Federal definition of AMC are eligible to be on the AMC Registry. Therefore, States that have a more expansive definition of AMCs than in the AMC Rule must ensure such non-Federally recognized AMCs are identified as such in the State database;¹
- States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect the registry fee;²
- States must ensure the accuracy of all data submitted to the AMC Registry;³ and
- States must collect and transmit the registry fees for AMCs that meet the federal definition of an AMC.⁴

¹ Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 8.

² Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; 12 CFR 1102.403; Policy Statements 8 and 9.


³ Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 9.

⁴ Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; 12 CFR 1102.403; Policy Statements 8 and 9.

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Nevada 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,



James R. Park
Executive Director

Attachment

cc: Charvez Foger, Deputy Administrator, CFoger@red.nv.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 12, Interim Sanctions.



ASC State AMC Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: May 16, 2024

Nevada AMC Regulatory Program (State)			
Nevada Commission of Appraisers of Real Estate (Board)	PM: J. Tidwell	ASC Compliance Review Date: June 13-15, 2023	Review Period: July 2021 to April 2023
Umbrella Agency: Department of Business and Industry Nevada Real Estate Division		Number of AMCs on AMC Registry: 104	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					
Only those AMCs that meet the Federal definition of AMC are eligible to be on the AMC Registry. Therefore, States that have a more expansive definition of AMCs than in the AMC Rule must ensure such non-Federally recognized AMCs are identified as such in the State database. (Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 8.)				The State has a more expansive definition of AMC thereby encompassing State regulation of AMCs that are not within the federal definition of an AMC. The State added 3 non-federally recognized AMCs to the AMC Registry.	On October 10, 2023, the State reported that they removed the non-federally recognized AMCs from the AMC Registry and are working on a process to ensure that this will not happen in the future.	The State must develop a process to ensure that only AMCs that meet the Federal definition of AMC are added to the AMC Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 8.
National Registry:		X					
States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect the registry fee. (Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26;12 CFR 1102.403; Policy Statements 8 and 9.)				The State failed to determine the eligibility of State registered AMCs upon renewal.	On October 10, 2023, the State reported that they have corrected language on their renewal application to correctly determine whether State registered AMCs meet the federal definition of an AMC and have taken steps to ensure that this will not happen in the future. In addition, they are working on updating the desk manual.	The State must monitor its process to ensure AMC's placed on the AMC Registry meet the federal definition.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI, the AMC Rule, the AMC Registry Fee Rule, and ASC Policy Statements 8 & 9.
National Registry:		X					
States must ensure the accuracy of all data submitted to the AMC Registry. (Title XI § 1118, 12 U.S.C. § 3347; Policy Statement 9.)				The State failed to report a name change of 4 AMCs to the AMC Registry.	On October 10, 2023, the State reported that they corrected the names of the 4 AMCs on the AMC Registry and have taken steps to ensure that this will not happen in the future. In addition, they are working on updating the desk manual.	The State must monitor its process to ensure the accuracy of all data submitted to the AMC Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 9.
National Registry:		X					
States must collect and transmit the registry fees for AMCs that meet the federal definition of an AMC. (Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26;12 CFR 1102.403; Policy Statements 8 and 9.)				The State failed to report 24 eligible AMCs to the AMC Registry and transmit their AMC Registry fees to the ASC.	On October 10, 2023, the State reported that they added the 24 eligible AMCs to the AMC Registry and have taken steps to ensure that this will not happen in the future. In addition, they are working on updating the desk manual.	The State must monitor its process to ensure they collect and transmit the registry fees for AMCs that meet the federal definition of an AMC.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI, the AMC Rule, the AMC Registry Fee Rule, and ASC Policy Statements 8 & 9.
Enforcement:	X						
				No compliance issues noted.	N/A	None	None