

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](mailto:SChandra@red.nv.gov)

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

Dear Sharath Chandra:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Nevada appraiser regulatory program (Appraiser Program) on June 13-15, 2023, to determine the Appraiser 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 is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the Nevada Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States' certification and licensing requirements must meet the minimum requirements set forth in Title XI;<sup>1</sup>
- States must verify that all claimed qualifying and continuing education courses are acceptable under AQB Criteria;<sup>2</sup>
- States must use a reliable means of validating appraiser experience claimed on all initial or upgrade applications for appraiser credentialing;<sup>3</sup>
- States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria;<sup>4</sup>
- States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances;<sup>5</sup>

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<sup>1</sup> 12 U.S.C. § 3347; Policy Statement 1 A.

<sup>2</sup> 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.

<sup>3</sup> 12 U.S.C. § 3347; Policy Statement 4 D.

<sup>4</sup> 12 U.S.C. § 3347; Policy Statement 6 A.

<sup>5</sup> 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;<sup>6</sup> and
- States must appropriately document enforcement files and include rationale.<sup>7</sup>

ASC staff will confirm appropriate corrective actions have been taken through off-site monitoring and a Follow-up Review in the next 6-12 months. Nevada will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. If you have any questions about this Report, please contact your assigned ASC Policy Manager, Jonathan Stewart, via email at [jonathan@asc.gov](mailto:jonathan@asc.gov), or by calling (202) 289-2735.

Sincerely,

A handwritten signature in black ink, appearing to read "ZOM f'".

Zixta Martinez  
Chair

Attachment

cc: Charvez Foger, Deputy Administrator, [CFoger@red.nv.gov](mailto:CFoger@red.nv.gov)

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<sup>6</sup> 12 U.S.C. § 3347; Policy Statement 7 B.

<sup>7</sup> 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"> <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 <sup>8</sup>	<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.

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<sup>8</sup> 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: May 16, 2024

**Nevada Appraiser 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 State Credentialed Appraisers on Appraiser Registry: 1015	Review Cycle: Two Year with monitoring

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					
States' certification and licensing requirements must meet the minimum requirements set forth in Title XI. (12 U.S.C. § 3347; Policy Statement 1 A.)				Title XI requires a reciprocal credential be issued when the applicant holds a valid credential from a State that is in compliance with Title XI and whose credentialing requirements meet or exceed the requirements of the State where the application is made. Nevada regulations require reciprocal applicants for licensed and certified residential real estate appraisers to have held the credential for 5 years.	On October 10, 2023, the State reported that in practice it does not enforce this provision, and it is preparing regulation changes to bring this into compliance.	The State must continue the process to amend its regulations to bring them into compliance with their practice, Title XI, and Policy Statement 1 A and provide ASC staff with a copy once finalized.	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 with Title XI and ASC Policy Statement 1.
<b>Temporary Practice:</b>	X			No compliance issues noted.	N/A	None	None
<b>National Registry:</b>			X				
States must report all disciplinary action taken against an appraiser to the ASC. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 A, D.)				The State did not report 3 disciplinary actions to the Appraiser Registry.  This concern was also identified in the August 13, 2018 Final Compliance Review Report.	On October 10, 2023, the State responded that it reported that the 3 disciplinary actions were added to the Appraiser Registry once brought to their attention. Additionally, all signed stipulations will now be forwarded to the Program Manager for her reporting to the ASC. The desk manual is also being updated to include this process.	The State should monitor its process to ensure all disciplinary action is reported to the ASC National Registry timely.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
<b>Application Process:</b>		X					
States must verify that all claimed qualifying and continuing education courses are acceptable under AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.)				The State issued 1 appraiser credential without verifying the applicant met the AQB Criteria required college education.	On October 10, 2023, the State reported it received proof that the applicant has met the AQB Criteria required college education and placed the documentation in the file. In addition, they will reiterate with licensing staff the verification and documentation process to ensure this error does not happen again.	The State must monitor its process to verify that applicants meet the qualifying requirements under the AQB Criteria.	During a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4.
<b>Application Process continued:</b>		X					
States must use a reliable means of validating appraiser experience claimed on all initial or upgrade applications for appraiser credentialing. (12 U.S.C. § 3347; Policy Statement 4 D.)				The State issued 3 appraiser credentials without validating appraiser experience.	On October 10, 2023, the State reported it received sample appraisals from the applicants' experience logs and verified that they comply with USPAP. In addition, a new check system has been implemented to ensure this does not occur in the future.	The State must monitor its new process to verify that all claimed experience is verified.	During a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4.
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None
<b>Education:</b>		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 continuing education (CE) courses to cover real property related appraisal topics. The State approved 1 CE course without sufficient documentation in the file to determine the appropriateness of the content.	On October 10, 2023, the State reported that the course was a one time request from an appraiser to use a course taken in another State. The course is expired and cannot be used by another appraiser. A process and checklist has been developed to ensure that this does not occur going forward.	The State must monitor its new process to ensure that sufficient documentation to support that approved courses conform to AQB Criteria is maintained.	During a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 6.



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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				
<b>Enforcement:</b>		X					
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)				The State had 31 aged complaints of which 12 were unresolved for more than 1 year and 19 were unresolved for more than 2 years without the exemption for special documented circumstances.  This concern was also identified in the August 13, 2018 Final Compliance Review Report.	On October 10, 2023, the State reported that new procedures to tighten up timeframes within the enforcement process have been implemented to improve overall timeliness.	The State must monitor its revised processes to ensure complaints are resolved timely and the backlog of aged complaints is eliminated.  The State must send quarterly complaint logs to ASC staff along with a detailed description of the progress on the 31 aged cases. If progress is not made, the ASC may place additional requirements upon the State.  The ASC Policy Manager assigned to the State will work with the State staff to determine the log details.	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 with Title XI and ASC Policy Statement 7.
<b>Enforcement continued:</b>		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.)				Complaints with similar aggravating or mitigating circumstances were not processed in a consistent and equitable manner.	On October 10, 2023, the State reported that it has implemented a new procedure to include recommendations developed in conjunction with using a disciplinary matrix in case files that go before the review committee and Commission.	The State must monitor its new process to ensure that its system for processing and investigating complaints is administered in an effective, consistent, equitable, and well-documented manner.	During a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7.
<b>Enforcement continued:</b>		X					
States must appropriately document enforcement files and include rationale. (12 U.S.C. § 3347; Policy Statement 7 B.)				The enforcement files were not appropriately documented to understand the facts and considerations in disciplinary cases and the reasons for those determinations.	On October 10, 2023, the State reported that it has developed a Complaint Checklist to ensure that files are documented and the process and rationale are explained.	The State must monitor its new process to ensure that enforcement files are appropriately documented and include rationale.	During a Follow-up Review and the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7.