

April 28, 2025

Via Email

Charles F. Kirk, Executive Director
New Jersey State Real Estate Appraiser Board
P.O. Box 45032
Newark, NJ 07101
KirkC@dca.njoag.gov

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

Dear Charles Kirk:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the New Jersey AMC regulatory program (AMC Program) on February 4-6, 2025, to determine the AMC 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 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:

- States must enforce and document ownership limitations for State-registered AMCs² and
- States must impose requirements on State-registered AMCs to provide written notice when removing appraisers from the appraiser panel consistent with the AMC Rule.³
- States shall not require an AMC that is a subsidiary owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency to register with a State.⁴

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

¹ 12 U.S.C. §§ 3331-3356

² 12 U.S.C. § 3353; 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.

³ 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.

⁴ 12 U.S.C. § 3353(c); Policy Statement 8.

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 black ink, appearing to read "MPonzar", written in a cursive style.

Matt Ponzar
Acting Executive Director

Attachment

cc: Joseph Palumbo, Board President, JoePal2@comcast.net

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 AMC Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: April 28, 2025

New Jersey AMC Regulatory Program (State)			
New Jersey State Real Estate Appraiser Board (Board)	PM: A. Nespor	ASC Compliance Review Date: February 4-6, 2025	Review Period: January 2023 to December 2024
Umbrella Agency: Division of Consumer Affairs		Number of AMCs on AMC Registry: 131	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				
States must have funding and staffing sufficient to carry out their Title XI-related duties. (12 U.S.C. § 3347; Policy Statement 8.)				The 11-member Board currently has 7 vacancies. The Board members have substantial responsibilities in reviewing application and enforcement files. Loss of one or more current board members could result in an inability to timely process applications and complaints.	On April 23, 2025, the State reported that Board members are appointed by the Governor with the advice and consent of the Senate. The Real Estate Appraiser Board has advised the Division of Consumer Affairs of the ASC's concern. Notwithstanding Board member vacancies, presently, applications and complaints are processed timely.	The State should continue to monitor the appointment process and encourage the appointment of members to the 7 vacant positions.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Statutes, Regulations, Policies and Procedures (continued):		X					
States must enforce and document ownership limitations for State-registered AMCs. (12 U.S.C. § 3353; 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.)				The State's statute regarding ownership limitation for an owner does not provide the State the opportunity to determine whether a credential that was refused, denied, canceled, surrendered in lieu of revocation, or revoked in any State was done so for a substantive cause as determined by the State.	On April 23, 2025, the State reported that the Real Estate Appraiser Board will seek approval from the Division of Consumer Affairs to propose an amendment to the legislature to add language to State statute allowing the appropriate State appraiser certifying and licensing agency to determine whether a credential that was refused, denied, canceled, surrendered in lieu of revocation, or revoked in any State was done so for a substantive cause.	The State must continue the process to amend its statutes to bring them into compliance, and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.



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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				
Statutes, Regulations, Policies and Procedures (continued):		X					
States must impose requirements on State-registered AMCs to provide written notice when removing appraisers from the appraiser panel 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.)				The State allows an AMC to remove an appraiser from its panel, without written notice, within the first 90 days after the appraiser is first added to the panel. Under the AMC Rule, an appraiser on an AMC's appraiser panel is deemed to remain on the panel until the date on which the AMC sends written notice to the appraiser removing the appraiser from the appraiser panel, with an explanation of its action.	On April 23, 2025, the State reported that the Real Estate Appraiser Board will seek approval from the Division of Consumer Affairs to propose an amendment to the legislature to remove the 90-day exception from State statute.	The State must continue the process to amend its statutes to bring them into compliance, and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Statutes, Regulations, Policies and Procedures (continued):		X					
States shall not require an appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency to register with a State. (12 U.S.C. § 3353(c); Policy Statement 8.)				The State's application forms require Federally regulated AMCs to report additional information that is not consistent with the AMC Rule.	On April 23, 2025, the State reported that it will remove the additional information from the application that is not consistent with the AMC Rule.	The State must continue the process to amend its application forms to bring them into compliance, and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry:	X						
				No compliance issues noted.	N/A	None	None
Enforcement:	X						
				No compliance issues noted.	N/A	None	None