

April 17, 2025

Via Email

Sally Pritchett, Director
Kansas Real Estate Appraisal Board
700 S. Jackson, Suite 804
Topeka, KS 66603
Sally.Pritchett@ks.gov

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

Dear Sally Pritchett:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Kansas AMC regulatory program (AMC Program) on November 19-21, 2024, 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 area of non-compliance:

- States must establish and maintain an AMC Program with the legal authority and mechanisms to determine that an AMC oversees an appraiser panel consistent with the AMC Rule.²

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

¹ 12 U.S.C. §§ 3331-3356

² 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.

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 'M. Ponzar', written in a cursive style.

Matt Ponzar
Acting Executive Director

Attachment

cc: Trecia McDowell, Chair, Trecia.McDowell@Sedgwick.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 AMC Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: April 17, 2025

Kansas AMC Regulatory Program (State)			
Kansas Real Estate Appraisal Board	PM: T. Lewis	ASC Compliance Review Date: November 19-21, 2024	Review Period: November 2022 to November 2024
Independent		Number of AMCs on AMC Registry: 89	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 establish and maintain an AMC Program with the legal authority and mechanisms to determine that an AMC oversees an 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 AMC Rule defines the appraiser panel size for an AMC operating in two or more states as 25 or more appraisers. The State's statute requires that the appraiser panel have more than 25 appraisers.	The April 3, 2025 response was silent on this matter. An examination of the State's AMC statute indicates that it qualifies an AMC for registration and renewal based upon the panel size of "more than 25". In practice, however, the State accurately qualifies AMCs based upon the appropriate panel size as specified in the AMC Rule.	The State should continue the process of amending its statutes to comply with Title XI.	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 AMC Rule specifies that an appraiser should not be barred from owning an AMC if the refusal, denial, cancellation, revocation, or surrender in lieu of revocation of the appraiser's license or certification was not for substantive cause, as determined by the State. The State's statutes allow an appraiser whose credential was revoked and reinstated to be an owner without regard to substantive cause.	On April 3, 2025, the State reported that their Statute was previously amended in 2018 to address this concern. The amended statute was provided with the response.	None	The State addressed the concern.
National Registry:	X						
				No compliance issues noted.	N/A	None	None
Enforcement:	X						
				No compliance issues noted.	N/A	None	None