

August 15, 2025

Via Email

Donald DeFede, Associate Director
Division of Commercial Licensing and Regulation
Department of Business Regulation
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02920
Donald.DeFede@dbr.ri.gov

RE: ASC Compliance Review of Rhode Island's Appraiser Regulatory Program

Dear Donald DeFede:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Rhode Island appraiser regulatory program (Appraiser Program) on July 30 – August 1, 2024, to determine the Appraiser 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 Appraiser Program is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the Rhode Island Appraiser Program is attached.

The ASC identified the following area(s) of non-compliance:

- States must verify that applicants have successfully completed courses consistent with AQB Criteria for the appraiser credential sought.² The ASC acknowledges that the State reported it has taken corrective action with respect to this issue.
- States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria.³ The ASC recognizes that the State subsequently obtained documentation to support its decision to approve the course in question.
- States must maintain relevant documentation in enforcement cases to enable understanding of the facts and determinations in the matter and the reasons for those determinations.⁴ The ASC recognizes that the State reported it has revised its processes to ensure cases include sufficient documentation.

¹ 12 U.S.C. §§ 3331-3356.

² 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.

³ 12 U.S.C. § 3347; Policy Statement 6 A.

⁴ 12 U.S.C. § 3347; Policy Statement 7 B.

ASC staff will pay particular attention to these areas of non-compliance during the next Review. Rhode Island 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,



Luke H. Brown
Acting Chair

Attachment

cc: William DeLuca, Real Estate Administrator, William.DeLuca@dbr.ri.gov
Amy Stewart, Chief of Legal Services, Amy.Stewart@dbr.ri.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: Needs Improvement

Final Report Issue Date: August 15, 2025

Rhode Island Appraiser Regulatory Program (State)

Rhode Island Real Estate Appraisers Board (Board)	PM: K. Klamet	ASC Compliance Review Date: July 30-August 1, 2024	Review Period: September 2022 to August 2024
Umbrella Agency: Department of Business Regulation		Number of State Credentialed Appraisers on Appraiser Registry: 451	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			No compliance issues noted.	N/A	None	None
Temporary Practice:	X			No compliance issues noted.	N/A	None	None
National Registry:	X			No compliance issues noted.	N/A	None	None
Application Process:		X		The State reinstated an appraiser credential without verifying the applicant had successfully completed all continuing education (CE) consistent with the Appraiser Qualifications Board (AQB) Criteria for reinstatement.	On November 6, 2024, the State advised that, at the time of the reinstatement request, it was not aware of the AQB Criteria provision and could not recall ever receiving an application for reinstatement for a credential that had been expired for more than 2 years. Upon learning of this provision, the State reported these immediate steps were taken toward corrective action: 1) The credential holder was contacted and presented with the AQB Criteria requirements necessary to qualify. The State reported that the credential holder chose to relinquish the credential; and 2) The State is codifying this provision in the Board's regulation.	The State must continue updating its regulations and ensure credentialed appraiser(s) meet AQB Criteria.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:		X		AQB Criteria requires 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 November 6, 2024, the State reported that a detailed description of the course was obtained from the course provider and the State determined that the course is suitable for continuing education credit. The State also provided a copy of the course description and their rationale for approval.	The State must ensure that all documentation to support its approval of appraiser courses is maintained and available to ASC staff for future Compliance Reviews.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.



ASC State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement
Final Report Issue Date: August 15, 2025

Rhode Island Appraiser Regulatory Program (State)			
Rhode Island Real Estate Appraisers Board (Board)	PM: K. Klamet	ASC Compliance Review Date: July 30-August 1, 2024	Review Period: September 2022 to August 2024
Umbrella Agency: Department of Business Regulation		Number of State Credentialed Appraisers on Appraiser Registry: 451	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				
Enforcement:		X					
States must maintain relevant documentation to enable understanding of the facts and determinations in the matter and the reasons for those determinations. (12 U.S.C. § 3347; Policy Statement 7 B.)				The enforcement files provided to ASC staff were not sufficiently documented. The files did not always include enough information to understand the basis of the complaint and the reasoning behind the resolution.	On November 6, 2024, the State reported that, with the aid of a newly developed complaint checklist, all complaint files were reviewed to ensure that all of the complaint-related documents were contained in one file. The State also provided a copy of the complaint checklist.	The State must monitor its newly developed complaint management and documentation process to ensure that all documentation pertaining to a complaint file can be easily accessed to ensure an understanding of all the facts and determinations made in the case.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.