

# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

October 8, 2009

Ms. Londa Hillyard, Chair  
Trenton Hogg, Executive Director  
Wyoming Certified Real Estate Appraiser Board  
2020 Carey Avenue, Suite 702  
Cheyenne, Wyoming 82002-0180

Dear Ms. Hillyard and Mr. Hogg:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of Wyoming's appraiser regulatory program (Program) on April 13-14, 2009. This is the final ASC Compliance Review Report (Report) on that Review.

The ASC has considered the staff's preliminary findings regarding the Review and the State's response. The ASC has determined that the Program is not in substantial compliance with Title XI of the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989, as amended (Title XI). The ASC identified the following concerns:

- Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10G - States must use a reliable means of verifying experience on all initial applications. The ASC has made recommendations in the attached Report to further strengthen the Program. Most significantly, the Wyoming Certified Real Estate Appraiser Board is to provide the ASC with copies of the information used to document the experience claimed. This information is to be sent to the ASC within 15 days of receipt of this letter. ASC staff will review the documentation and determine if the concern has been adequately addressed or whether a follow-up review of Wyoming's Program is necessary.
- Title XI § 1118(a), 12 U.S.C. 3347 - States must have sufficient legal and other administrative resources to perform Title XI related duties. The ASC's recommended actions relative to this concern is included in the attached Report.

In the response, the State indicated it has taken corrective actions as detailed in the attached Report. ASC staff will confirm that the reported corrective actions are in place as well as the propriety of those actions during the next review. Please also be advised that this letter and the attached Report are public record and available on the ASC website in accordance with the Freedom of Information Act.

Please contact us if you have any questions.

Sincerely,

Virginia M. Gibbs  
Chairman

Attachment

**ASC Compliance Review Report**

**Finding: Not In Substantial Compliance**

Wyoming Appraiser Regulatory Program (Program)				Wyoming Real Estate Appraiser Board (Board)		ASC Compliance Review (Review) Date: April 13-14, 2009		Review Period: 4/07 - 4/09	
Umbrella Agency: Wyoming Real Estate Commission (Commission)				Number of WY credentialed appraisers on National Registry: 382		Issue Date: October 8, 2009			
Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments	
	YES	NO	AC						
<b>Application Process:</b>									
States must use a reliable means of validating experience claims on all initial applications, including tax assessors. (Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria; ASC Policy Statement 10G)		X		<p>ASC staff reviewed 26 original application files. Of the 26 files, 21 failed to contain documentation to show that the experience claims were validated for compliance with AQB Criteria. The Board did not consistently validate the experience claims of applicants to ensure they met AQB Criteria. Beginning in April 2007, appraisal logs were not consistently evaluated to verify the applicant had the appropriate number of experience hours and months required in AQB Criteria.</p>	<p>On 6/30/2009, the Board disputed that it "... did not consistently validate the experience claims..." and that "... appraisal logs were not always evaluated to verify..." the experience claims. The Board contends that each and every applicant's appraisal log was scrutinized to verify the appropriate experience amounts were attained.</p> <p>After the on site Review, the Board staff secured from current and past Board members the work logs and memorandums used to validate the experience claims of the 21 credentialed appraisers in question.</p> <p>The Board acknowledged that the appraisal logs and documentation used to validate experience claims were not kept with the original application materials and agreed to ensure all supporting documentation is maintained with the files in the future.</p>	<p>Wyoming must provide to ASC staff, within 15 days of receipt of this letter, copies of the information used to document the experience claims for the 21 application files in question. ASC staff will review the files for compliance with AQB Criteria and ASC Policy Statement 10G.</p>	<p>To strengthen the Program, Wyoming should implement an effective policy and procedure to ensure that in the future, documentation used to validate experience claims are properly retained.</p>	<p>After review of the files, ASC staff will determine if an onsite follow-up review is necessary for Wyoming.</p>	

**ASC Compliance Review Report**

**Finding: Not In Substantial Compliance**

**Wyoming Appraiser Regulatory Program (Program)**

**Wyoming Real Estate Appraiser Board (Board)**

**ASC Compliance Review (Review) Date: April 13-14, 2009**

**Review Period: 4/07 - 4/09**

**Umbrella Agency: Wyoming Real Estate Commission (Commission)**

**Number of WY credentialed appraisers on National Registry: 382**

**Issue Date: October 8, 2009**

Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
<b>Wyoming Statutes, Regulations, Policies and Procedures:</b>	X		X					
The ASC shall monitor State agencies for the purpose of determining whether policies, practices and procedures are consistent with Title XI. (Title XI § 1118(a), 12 U.S.C. 3347)				During this Review, ASC staff found that the Governor required 5% AND 10% budget cuts in every state agency for this fiscal year budget. Although the Board is a self supporting entity, its funds were withheld to meet required budget cuts. Since the recent withholding of funds, the Program does not have sufficient spending authority to secure review appraisers and other resources needed to adequately investigate complaints of appraiser misconduct.	On 6/30/2009, the Board reported that they had "been officially notified that we do not have to participate in this request for budget cuts." The Board also reported that they are in the process of asking to raise its spending authority to better accomplish its duties as regulators of the appraisal industry.	No further action required.	To strengthen the Program, the Board and Commission should explore ways to achieve and maintain the necessary resources to perform its Title XI related duties.	None.
<b>Education:</b>	X							
States must ensure continuing education courses are consistent with AQB Criteria. (Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria)				Our Review found that the Board recently sponsored a course for which it allowed a defined segment of its renewing appraiser population to carry over the continuing education hours earned for attending the course into the next renewal cycle which will end in 2010. AQB Criteria does not allow continuing education hours to be carried over from one renewal cycle to another.	After the on site Review, the Board contacted the 24 appraisers who potentially could use the hours of this "one-time" offering toward their next renewal: These appraisers were advised that the Board did not have the authority to allow the continuing education hours obtained to carry over into the next renewal cycle.	No further action required.	None.	None.
<b>National Registry:</b>	X							
States must submit all disciplinary actions for inclusion on the National Registry. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 9A)				Our review found that the five corrective sanctions taken within the Review Period had not been reported to the ASC for inclusion on the National Registry.	While on site, the Commission corrected all discrepancies and reported the missing disciplinary actions for inclusion on the National Registry. The staff responsible for reporting discipline to the ASC worked with ASC staff to learn the correct procedures to report future disciplinary actions to the ASC timely and accurately.	No further action required.	None.	None.
<b>Temporary Practice:</b>	X			No compliance issues noted.	None.	None.	None.	None.

**ASC Compliance Review Report**

**Finding: Not In Substantial Compliance**

<b>Wyoming Appraiser Regulatory Program (Program)</b>				<b>Wyoming Real Estate Appraiser Board (Board)</b>		<b>ASC Compliance Review (Review) Date: April 13-14, 2009</b>		<b>Review Period: 4/07 - 4/09</b>	
<b>Umbrella Agency: Wyoming Real Estate Commission (Commission)</b>				<b>Number of WY credentialed appraisers on National Registry: 382</b>		<b>Issue Date: October 8, 2009</b>			
Requirement/Guidance	Compliance (YES/NO)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments	
	YES	NO	AC						
<b>Reciprocity:</b>	X			No compliance issues noted.	None.	None.	None.	None.	
<b>Enforcement:</b>	X			No compliance issues noted.	None.	None.	None.	None.	