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Appraisal Subcommittee
Federal Financial Institutions Examination Council

July 29, 2011

Ms. Gail J. Anderson, Administrator
Nevada Real Estate Division
1179 Fairview Drive, Suite E
Carson City, NV 89701

RE: ASC Compliance Review of Nevada's appraiser regulatory program

Dear Ms. Anderson:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of Nevada's appraiser regulatory program (Program) on November 29-30, 2010. This is the final ASC Compliance Review Report (Report) on that Review.

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

- States should resolve all complaints filed against appraisers within one year, except for special documented circumstances;¹

In its response, the State indicated corrective actions were taken. During the next Review, staff will confirm these corrective actions have taken place and are appropriate. Please also be advised 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,



Deborah S. Merkle
Chairman

Attachment

cc: Ms. Brenda Kindred-Kipling, Appraisal Program Officer

¹ Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.

ASC Compliance Review Report

Finding: Not In Substantial Compliance

Report Issue Date: August 1, 2011

Nevada Appraiser Regulatory Program (Program)

Commission of Appraisers of Real Estate (Commission) / Decision Making	PM: N. Fenochietti	ASC Compliance Review (Review) Date: November 29-30, 2010	Review Period: June 2008 to November 2010
Umbrella Agency: Real Estate Division (Division), Department of Business and Industry (Department)		Number of State Credentialed Appraisers on National Registry: 1,277	Issue: FINAL

Requirement/Guidance	ASC Finding Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Nevada Statutes, Regulations, Policies and Procedures:	X			No compliance issues noted.	N/A	None	None	None
Temporary Practice:			X	The Commission failed to process 14 applications for temporary practice permits within five business days of receipt of a completed application. Of the 14 applications, 13 were received in 2008 when budget reductions within the Department prevented the Commission from filling a vacated position. With the exception of one, all permits issued since the position was filled were issued within five days in accordance with ASC Policy Statement 5.	On March 3, 2011, the Department reported to ASC staff that they are conscious of the constraints caused by proposed budget reductions, and they will continue to make every effort to comply with Title XI and continue to improve the Program within the resources allocated to them.	None	To strengthen the Program, Nevada should explore ways to maintain the necessary resources, and/or policies, and procedures, to perform its Title XI-related duties.	ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 5 during the next Review in September 2012. ASC staff will continue to monitor the effect of proposed budget cuts.
National Registry:	X			No compliance issues noted.	N/A	None	None	None
Application Process:	X			No compliance issues noted.	N/A	None	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None	None
Education:	X			No compliance issues noted.	N/A	None	None	None

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	YES	NO	AC					
Enforcement:		X						
States should resolve all complaints filed against appraisers within one year, except for special documented circumstances. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.)				<p>Nevada had 49 outstanding complaints of which 13 were unresolved for more than one year. One case fell under the exception for special documented circumstances. Therefore, of the 49 outstanding cases, 12 (24 %) were not resolved in accordance with ASC Policy Statement 10E.</p> <p>This is a notable improvement over the previous Compliance Review period in which 97 (69%) complaints were over one year old.</p>	On March 3, 2011, the Department reported to ASC staff that they are conscious of the constraints caused by proposed budget cuts, and will continue to make every effort to comply with Title XI and continue to improve the Program within the resources allocated to them. They desire to resolve complaints in a timely manner.	Nevada must continue to submit quarterly complaint logs to ASC staff. Staff will analyze each log. If progress is not made, the ASC may place additional requirements upon the State.	To strengthen the Program, Nevada should continue to improve the process for resolving complaints of appraiser misconduct or wrongdoing in a timely manner to ensure compliance with Policy Statement 10E.	<p>During the next Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 10E.</p> <p>Given the concerns raised by the State about potential budget reductions and the ramifications to its Program, Nevada should keep the ASC apprised of any future reduction in its funding.</p>