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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

May 20, 2013

Ms. Katie True, Commissioner  
Pennsylvania Department of State  
Bureau of Professional and Occupational Affairs  
State Board of Certified Real Estate Appraisers  
P O Box 2649  
Harrisburg, PA 17105-2649

RE: Appraisal Subcommittee Staff Follow-Up Review

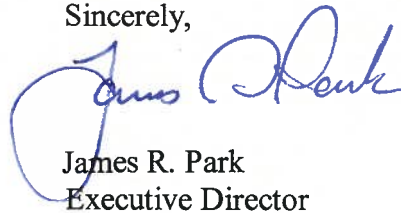
Dear Ms. True:

Thank you for your cooperation and your staff's assistance in the May 6, 2013 Appraisal Subcommittee (ASC) staff Follow-up Review. This was a Follow-up Review of the May 8-10, 2012 ASC Compliance Review of the Pennsylvania appraiser regulatory program.

As detailed in the attached Follow-up Report, Pennsylvania reported the progress made towards addressing the three areas of non-compliance identified. ASC staff will confirm corrective actions have taken place and are appropriate during the next Compliance Review in 2014.

This letter and the attached Follow-up 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,



James R. Park  
Executive Director

Attachment

cc: Ms. Heidi Weirich, Administrator, State Board of Certified Real Estate Appraisers

**ASC Staff Follow-Up Report: 2012 Compliance Review**

<b>Pennsylvania Appraiser Regulatory Program (Program)</b>		
<b>Board of Certified Real Estate Appraisers (Board) / Decision Making</b>	<b>Follow-Up Review Date: May 6, 2013</b>	<b>Follow-Up Report Issue Date: May 20, 2013</b>
<b>Umbrella Agency: Department of State, Bureau of Professional and Occupational Affairs (Bureau)</b>	<b>ASC Compliance Review Date: May 8-10, 2012</b>	<b>PM: J. Tidwell</b>

Requirement/Guidance	ASC Staff Assessment Compliance (YES/NO)			Required/Recommended State Actions from the May 10, 2012 Compliance Review	Status as of May 6, 2013 Follow-Up	Further Required Actions/Comments
	Yes	No	AC			
<b>Application Process:</b>		<b>X</b>				
States need to maintain adequate documentation to support validation method(s). (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10G.)				Pennsylvania must ensure that all documentation related to application processing is available to ASC staff during the Compliance Review and that documentation to support issuance of a credential proves the applicant's experience conforms to USPAP.	On May 6, 2013, the Bureau staff reported to ASC staff that they have corrected the administrative issues and staff randomly selects work files from applicant's experience logs to review for USPAP conformance. Review of work files for USPAP compliance is a routine procedure. To more clearly document the review, a USPAP compliance checklist will be scanned and maintained in the application file.	<b>Further Required Actions:</b> None <b>Comments:</b> During the next Review in 2014, ASC staff will pay particular attention to this area for compliance with applicable ASC Policy Statements.
<b>Education:</b>		<b>X</b>				
States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Real Property Appraiser Qualification Criteria. (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 10F.)				Pennsylvania must ensure that all documentation related to education approvals is available to ASC staff during their Compliance Review.	On May 6, 2013, Bureau staff reported to ASC staff that they have corrected the administrative issues and documents are now being accurately filed and maintained. Documents will be available to ASC staff during their Compliance Reviews.	<b>Further Required Actions:</b> None <b>Comments:</b> During the next Review in 2014, ASC staff will pay particular attention to this area for compliance with applicable ASC Policy Statements.
<b>Enforcement:</b>		<b>X</b>				
States should resolve all complaints filed against appraisers within 1 year, except for special documented circumstances. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.)				The Board and Bureau must monitor their revised processes to ensure timely processing of complaints to reduce the backlog of aged complaints, and to ensure that the complaints of appraiser misconduct or wrongdoing are resolved in a timely manner as required by ASC Policy Statement 10E.  The Board must continue to submit complaint logs to ASC staff quarterly. If progress is not made, the ASC may place additional requirements upon the State.	On May 6, 2013, Bureau staff reported to ASC staff that they have 110 outstanding complaints of which 32 are unresolved for more than 1 year. Of the complaints outstanding for more than 1 year, 3 fall under the exception for special documented circumstances.  This is a slight improvement over the findings of the May 2012 Compliance Review. Bureau staff anticipate a further reduction in the number of aged cases by the time of the next Compliance Review.	<b>Further Required Actions:</b> The Board and Bureau must devote the resources necessary to reduce the backlog of aged complaints, and ensure complaints of appraiser misconduct or wrongdoing are resolved in a timely manner as required by ASC Policy Statements.  The Board must continue to submit complaint logs to ASC staff quarterly. <b>Comments:</b> During the next Review in 2014, ASC staff will pay particular attention to this area for compliance with applicable ASC Policy Statements.