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Appraisal Subcommittee
Federal Financial Institutions Examination Council

January 9, 2018

Mr. Brendan Fitzgerald, First Executive Deputy Secretary of State
Division of Licensing Services
New York State Department of State
P O Box 22001
Albany, NY 12201-2001

RE: ASC Compliance Review of New York's Appraiser Regulatory Program

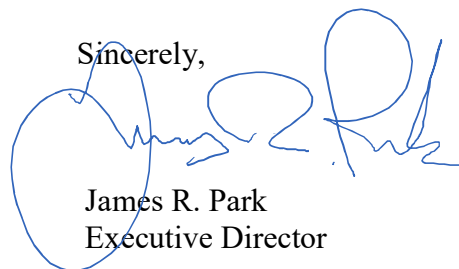
Dear Mr. Fitzgerald:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the New York appraiser regulatory program (Program) on September 26-28, 2017, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Program has been awarded an ASC Finding of "Good." Areas of concern that were identified are being addressed by the Program. New York will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) is attached.

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,



James R. Park
Executive Director

Enclosure

cc: Mr. Charles Silva Fields, Deputy Secretary of State
Ms. Whitney Clark, Director Division of Licensing Service

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 ¹	<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.

¹ An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.

ASC Compliance Review Report

ASC Finding: Good
Final Report Issue Date: January 9, 2018

New York Appraiser Regulatory Program (State)			
New York State Board of Real Estate Appraisal (Board)	PM: V. Metcalf	ASC Compliance Review Date: September 26-28, 2017	Review Period: August 2015 - September 2017
Umbrella Agency: Department of State		Number of State Credentialed Appraisers on National Registry: 3,804	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	The State did not report all disciplinary actions to the ASC National Registry timely. In July 2017, the State reported 19 disciplinary actions that were taken between 1/22/15 and 4/27/17.	On December 20, 2017, the State reported that all missing disciplinary actions were provided to the National Registry. The State implemented new policies and procedures to ensure discipline is reported timely. In addition, the State reported they are in the process of implementing the SOAP system to report all appraiser data, including disciplinary actions electronically.	The State should monitor their new policies and procedures to ensure all disciplinary actions are reported to the National Registry using the ASC Extranet in a timely manner.	During the next Compliance Review ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
National Registry, continued:			X	The State did not report a revocation to the National Registry timely. The revocation became effective in July 2016, but was not reported until August 2017.	On December 20, 2017, the State explained the credential had expired prior to the imposition of the revocation and the State was unaware of the requirement to report discipline on an inactive credential. The State will report all disciplinary actions regardless of the credential status.	The State should monitor their new policies and procedures to ensure all disciplinary actions are reported to the National Registry regardless of the credential status.	During the next Compliance Review ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:				No compliance issues noted.	N/A	None	None