## 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> <li>State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>State maintains a strong regulatory Program</li> <li>Very low risk of Program failure</li> </ul>	2-year
Good	<ul> <li>State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>Deficiencies are minor in nature</li> <li>State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>State maintains an effective regulatory Program</li> <li>Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul> <li>State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>State regulatory Program needs improvement</li> <li>Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul> <li>State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>State regulatory Program has substantial deficiencies</li> <li>Substantial risk of Program failure</li> </ul>	1-year
Poor <sup>1</sup>	<ul> <li>State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>High risk of Program failure</li> </ul>	Continuous monitoring

<sup>\*</sup>Program history or nature of deficiency may warrant a more accelerated Review Cycle.

<sup>&</sup>lt;sup>1</sup> 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*.

Name of State God Feed State (Board)   PMI V. Metcalf   ASC Compliance Review Date: September 20-28, 2017   Review Period: August 2015 - September 2017   Name of State Credentialed Appraisers on National Registry: 3,804   Review Cycle: Two Year		ASC Finding: Good						
New York State Board of Real Estate Appraisal (Regard)   PM: V. Netcalf (Board)   ASC Compliance Review Date: September 26-28, 2017   Review Perfoit: August 2015 - September 26-28, 2017   Review Perfoit: August 2015 - September 2017   Review Perfoit: August 2015 - Revie		Final Report Issue Date: January 9, 2018						
Comment   Comm								
Unbrella Agency: Department of State  Applicable Federal Citation  Applica		state A	ppraisa	I	PM: V. Metcalf	ASC Compliance Review Date: September 26	-28, 2017	Review Period: August 2015 - September 2017
Applicable Federal Citations    Complete Complet	(Board)							
Statutes, Regulations, Policies and Procedures:  X	Umbrella Agency: Department of State					Number of State Credentialed Appraisers on	National Registry: 3,804	Review Cycle: Two Year
Statutes, Regulations, Policies and Procedures:  X								
Statutes, Regulations, Policies and Procedures:    X	Applicable Federal Citations	1 ' ' '		, ,	ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
and Procedures:    X		YES	NO	AC				
Temporary Practice:  X	Statutes, Regulations, Policies							
Temporary Practice:  Name National Registry: States are required to report all clisciplinary actions to the ASC National Registry tinely. In July 2017, the State reported of the National Registry. Statement 3 D.)  National Registry, continued:  National Registry, to State Hall Interval Registry and procedures to ensure all disciplinary act	and Procedures:	Х						
National Registry:  States are required to report disciplinary action via the extranet application as soon as practicable. (12 U.S.C. § 33347; 12 U.S.C. § 33387; Policy Statement 3 D.)  National Registry, continued:  States must notify the ASC as soon as practicable of voluntary surrenders, suspensions, revocations, or any other action that interrupts a criterious previous a boilet in that interrupts a criterious previous a boilet in the interrupts a soliton became effective in July 2015.  Application Process:  X  Application:  X  X  The State did not report all disciplinary actions that were taken between 1/22/15 and 4/27/17.  By the state did not report a revocation to the Mathonal Registry unity. The State reported they are in the process of implementing the SOAP system to reported timely. In July 2016, but was not reported until August 2017.  States must notify the ASC as soon as practicable of voluntary surrenders, suspensions, revocations, or any other action that interrupts a criterious became effective in July 2016, but was not reported until August 2017.  Special process:  X  Application Process					No compliance issues noted.	N/A	None	None
National Registry.  National Registry, continued:  States multiplication as soon as practicable of Voluntary surrenders, suspensions, revocations, or any other action state interrupts a consider actions, or any other action intal interrupts a credential holder's ability to practice.  Application Process:  X  Application:  X  The State did not report all disciplinary actions to the ASC National Registry timely. The State in a timely manner.  The State should monitor their new policies and procedures to ensure all disciplinary actions are reported to the National Registry using the ASC Policy Statement 3.  The State should monitor their new policies and procedures to ensure all disciplinary actions are reported to the National Registry using the ASC Policy Statement 3.  The State should monitor their new policies and procedures to ensure all disciplinary actions are reported to the National Registry using the ASC Policy Statement 3.  The State should monitor their new policies and procedures to ensure all disciplinary actions are reported to the National Registry using the ASC Policy Statement 3.  The State should monitor their new policies and procedures to ensure all disciplinary actions are reported to the National Registry using the ASC Policy Statement 3.  The State should monitor their new policies and procedures to ensure all disciplinary actions are reported to the National Registry using the ASC Policy Statement 3.  The State should monitor their new policies and procedures to ensure all disciplinary actions are reported to the National Registry using the ASC Policy Statement 3.  The State should monitor their new policies and procedures to ensure all disciplinary actions are reported to the National Registry using the ASC Policy Statement 3.  The State should monitor their new policies and procedures to ensure all disciplinary actions are reported to the National Registry using the ASC Policy Statement 3.  The State should monitor their new policies and procedures to ensure all disciplinary actions are	Temporary Practice:	Х						
States are required to report disciplinary action via the extract application as soon as practicable. (12 U.S.C. § 3347; 12 U.S.C. § 3348; 12 U.S.C. § 3349;					No compliance issues noted.	N/A	None	None
disciplinary action via the extranct application as soon as practicable. (12 U.S.C. § 3338; Policy Statement 3 D.)  **Extranct application as soon as practicable. (12 U.S.C. § 3338; Policy Statement 3 D.)  **Extranct application as soon as practicable. (12 U.S.C. § 3338; Policy Statement 3 D.)  **Extranct application as soon as practicable. (12 U.S.C. § 3338; Policy Statement 3 D.)  **Extranct application as soon as practicable. (12 U.S.C. § 3338; Policy Statement 3 D.)  **Extranct in a timely manner.**  **In a stations to the ASC National Registry to the disciplinary actions that were taken between 1/22/15 and 4/27/17.  **Extranct in a timely manner.**  **In a stational Registry using the ASC Policy Statement 3.**  **In a stational Registry using the ASC Policy Statement 3.**  **In a stational Registry using the ASC Policy Statement 3.**  **In a stational Registry using the ASC Policy Statement 3.**  **In a stational Registry using the ASC Policy Statement 3.**  **In a stational Registry using the ASC Policy Statement 3.**  **In a stational Registry using the ASC Policy Statement 3.**  **In a stational Registry using the ASC Policy Statement 3.**  **In a stational Registry using the ASC Policy Statement 3.**  **In a stational Registry using the ASC Policy Statement 3.**  **In a stational Registry using the ASC Policy Statement 3.**  **In a stational Registry using the ASC Policy Statement 3.**  **In a stational Registry using the ASC Policy Statement 3.**  **In a stational Registry using the ASC Policy Statement 3.**  **In a state under the proceedures to ensure all disciplinary actions are provided to the National Registry using the ASC Policy Statement 3.**  **In a state under the proceedures to ensure all disciplinary actions are provided to the National Registry using the ASC Policy Statement 3.**  **In a state under the proceedures to ensure all disciplinary actions are provided to the National Registry using the ASC Policy Statement 3.**  **In a state under the proceedures to ensure all disciplinary acti				Х				
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