

■ ■ ■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

August 13, 2018

Mr. Sharath Chandra, Real Estate Administrator
Nevada State Business Center
3300 West Sahara Avenue, Suite 350
Las Vegas, NV 89102

RE: ASC Compliance Review of Nevada's Appraiser Regulatory Program

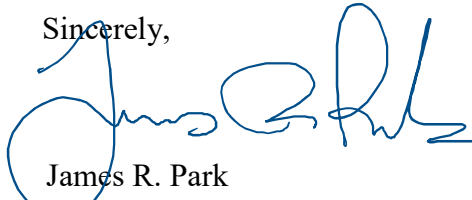
Dear Mr. Chandra:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Nevada appraiser regulatory program (Program) on May 14-16, 2018, 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. Nevada 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

Attachment

cc: Ms. Sharon Jackson, Deputy Administrator
Mr. Jaye Lindsay, Appraisal Program Manager

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: August 13, 2018

Nevada Appraiser Regulatory Program (State)			
Nevada Commission of Appraisers of Real Estate (Board)	PM: J. Tidwell	ASC Compliance Review Date: May 14-16, 2018	Review Period: May 2016 to May 2018
Umbrella Agency: State of Nevada, Department of Business & Industry, Real Estate Division		Number of State Credentialed Appraisers on National Registry: 967	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				
States must submit all disciplinary actions to the ASC for inclusion on the National Registry. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 A, D, E.)				The State did not report all disciplinary actions to the ASC National Registry.	On July 19, 2018, the State attributed the lapse in reporting all disciplinary actions to the ASC National Registry to an extreme personnel transition. In addition, all missing disciplinary actions have been entered on the ASC National Registry and staff will ensure all future disciplinary actions will be reported for inclusion on the ASC National Registry.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 3.
National Registry continued:			X				
States must ensure the accuracy of all data submitted to the National Registry. (12 U.S.C. § 3347; Policy Statement 3 A, D, E.)				The State did not accurately report all disciplinary actions to the ASC National Registry.	On July 19, 2018, the State reported that all disciplinary actions on the ASC National Registry were reviewed and corrected. In addition, the State implemented a new procedure to ensure future disciplinary actions are reported accurately.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with 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

ASC Compliance Review Report

ASC Finding: Good
Final Report Issue Date: August 13, 2018

Nevada Appraiser Regulatory Program (State)					
Nevada Commission of Appraisers of Real Estate (Board)		PM: J. Tidwell		ASC Compliance Review Date: May 14-16, 2018	
Umbrella Agency: State of Nevada, Department of Business & Industry, Real Estate Division			Number of State Credentialed Appraisers on National Registry: 967		Review Period: May 2016 to May 2018
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				
Enforcement:			X				
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)				<p>The State had 37 outstanding complaints of which 6 were unresolved for more than 1 year and none were unresolved for more than 2 years without the exemption for special documented circumstances. All aged cases are still under investigation.</p> <p>Two key staff positions, Appraisal Program Manager and Investigator, while filled now, remained vacant for extended periods of time during the review cycle, specifically 4 months and 12 months respectively. With 37 open cases, the State is at risk of further falling behind in resolving complaints timely.</p>	On July 19, 2018, the State reported making progress eliminating the backlog of older cases and has implemented a new process to ensure complaints are resolved timely.	The State should continue to monitor its process to ensure timely processing of complaints, to reduce the backlog of aged complaints, and to ensure complaints of appraiser misconduct or wrongdoing are resolved in a timely manner as required by ASC Policy Statement 7.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 7.