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Appraisal Subcommittee
Federal Financial Institutions Examination Council

March 14, 2012

Mr. Bradford K. Moore, Chairman
Nebraska Real Property Appraiser Board
301 Centennial Mall South, Lower Level
P.O. Box 94963
Lincoln, NE 68509-4963

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

Dear Mr. Moore:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of Nebraska's appraiser regulatory program (Program) on September 13-15, 2011. 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. Although the attached Report references areas of concern, the ASC has determined the Program is in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended. Nebraska will remain on a two-year Review Cycle.

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,



Peter Gillispie
Acting Chairman

Attachment

cc: Mr. Tyler Kohtz, Executive Director

“ASC Finding” Defined for ASC Compliance Review Report

1. IN SUBSTANTIAL COMPLIANCE

Applies when no issues of non-compliance or violations of Title XI, ASC Policy Statements or AQB Criteria are identified.

2. NOT IN SUBSTANTIAL COMPLIANCE

Applies when there are one or more issues of non-compliance or violations of Title XI, ASC Policy Statements and/or AQB Criteria but the concerns do not rise to the level of “not in compliance.”

3. NOT IN COMPLIANCE

Applies when the number, seriousness, and/or repetitiveness of the Title XI, ASC Policy Statements and/or AQB Criteria violations warrant this finding.

ASC Compliance Review Report

ASC Finding: In Substantial Compliance

Final Report Issue Date: March 14, 2012

Nebraska Appraiser Regulatory Program (Program)

Nebraska Real Property Appraiser Board (Board) / Decision Making	PM: K. Klamet	ASC Compliance Review Date: September 13-15, 2011	Review Period: August 2009 to August 2011
Umbrella Agency: Independent		Number of State Credentialed Appraisers on National Registry: 715	Review Cycle: Two Year

Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Nebraska Statutes, Regulations, Policies and Procedures:			X					
States must adopt and/or implement all relevant 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.)				<p>The following statutes will be out of date as of January 1, 2012, when the 2010-2011 National Uniform Standards of Professional Appraisal Practice (USPAP) course approval by the Appraiser Qualifications Board (AQB) changes to the 2012-2013 version.</p> <p>(1) Section 76-2230 (1)(c), Section 76-2231.01 (1)(c) and Section 76-2232 (1)(c) of the Nebraska Real Property Appraiser Act refer to the fifteen-hour National USPAP Course as that "approved by the Appraiser Qualifications Board as of January 1, 2010."</p> <p>(2) Section 76-2230 (4), Section 76-2231.01 (4), Section 76-2232 (2) and Section 76-2236 of the Nebraska Real Property Appraiser Act refer to the seven-hour National USPAP Update course as that "approved by the Appraiser Qualifications Board as of January 1, 2010."</p>	On November 20, 2011, the Board reported to ASC staff that, to date, efforts to change the statutes in a way that would eliminate this issue have been rejected by the State legislature.	None	To strengthen the Program, Nebraska should continue the process to amend its statutes to bring them into compliance with Appraiser Qualifications Board Real Property Appraiser Qualification Criteria (AQB Criteria), and provide the ASC staff with a copy of the final statutes once adopted.	Through off-site monitoring and during the next Review, ASC staff will pay particular attention to this area for compliance with Title XI and AQB Criteria.

ASC Compliance Review Report

ASC Finding: In Substantial Compliance
Final Report Issue Date: March 14, 2012

Nebraska Appraiser Regulatory Program (Program)

Nebraska Real Property Appraiser Board (Board) / Decision Making	PM: K. Klamet	ASC Compliance Review Date: September 13-15, 2011	Review Period: August 2009 to August 2011
Umbrella Agency: Independent		Number of State Credentialed Appraisers on National Registry: 715	Review Cycle: Two Year

Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Nebraska Statutes, Regulations, Policies and Procedures Continued:			X					
States must require that appraisals be performed in accordance with the latest version of the Uniform Standards of Professional Appraisal Practice (USPAP). (Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 3; AQB Real Property Appraiser Qualification Criteria.)				The following statute will be out of date as of January 1, 2012, when the 2012-2013 version of USPAP is implemented. (1) Section 76-2213.01 of the Nebraska Real Property Appraiser Act references USPAP as "the standards promulgated by the Appraisal Foundation, as the standards existed on January 1, 2010."	On November 20, 2011, the Board reported to ASC staff that, to date, efforts to change the statutes in a way that would eliminate this issue have been rejected by the State legislature.	None	To strengthen the Program, Nebraska must continue the process to amend its statutes to bring them into compliance with AQB Criteria, and provide the ASC staff with a copy of the final statutes once adopted.	Through off-site monitoring and during the next Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
Temporary Practice:	X							
				None	N/A	None	None	None
National Registry:	X							
				None	N/A	None	None	None

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Nebraska Appraiser Regulatory Program (Program)

Nebraska Real Property Appraiser Board (Board) / Decision Making

PM: K. Klamet

ASC Compliance Review Date: September 13-15, 2011

Review Period: August 2009 to August 2011

Umbrella Agency: Independent

Number of State Credentialed Appraisers on National Registry: 715

Review Cycle: Two Year

Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Application Process:			X					
States must use a reliable means of validating appraiser qualifying education claims on all initial applications for appraiser credentialing. (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.				Three of 26 appraiser applications reviewed did not contain documentation to support that the applicant's "in lieu of" college courses covered the required collegiate level subject matter as required by AQB Criteria.	On November 20, 2011, the Board reported to ASC staff that all original and upgrade applicants approved by the Board for a certified credential during the Review Period were reviewed in addition to one application that was not in compliance. Notification was sent to four credential holders whose application files did not contain supporting documentation for the "in lieu of" college courses requiring submission of documentation. If proof cannot be provided by December 31, 2011, Nebraska will downgrade those individuals that fail to meet the AQB Criteria to the State License level.	None	To strengthen the Program, Nebraska should implement an effective process of validating appraiser qualifying education claims on all initial applications.	During the next Review, ASC staff will pay particular attention to this area for compliance with AQB Criteria.
Reciprocity:	X			None	N/A	None	None	None

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Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Education:			X					
States should ensure that course approval expiration dates assigned by the State coincide with course approval expiration dates assigned by AQB's CAP and/or IDECC. (Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria.)				The Board approved appraiser education courses for a period of five years. Therefore, course approval expiration dates assigned by the State often extended beyond endorsement periods assigned by the Appraiser Qualifications Board Course Approval Program (CAP) and/or International Distance Education Certification Center (IDECC).	On November 20, 2011, the Board reported to ASC staff that Program staff will monitor and verify that all approved courses that require CAP or IDECC approval have current endorsement periods.	None	To strengthen the Program, Nebraska should implement an effective process to ensure that the Board approved courses and seminars that require CAP or IDECC approval have current endorsements.	During the next Review, ASC staff will pay particular attention to this area for compliance with AQB Criteria.
Enforcement:	X							
				None				