

Appraisal Subcommittee

Federal Financial Institutions Examination Council

April 5, 2013

Mr. Charles Kirk, Acting Executive Director
State Real Estate Appraiser Board
Office of the Attorney General
Division of Consumer Affairs
Department of Law and Public Safety
124 Halsey Street, 3rd Floor
Newark, NJ 07102

RE: Appraisal Subcommittee Staff Follow-Up Review

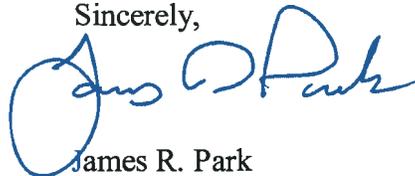
Dear Mr. Kirk:

Thank you for your cooperation and your staff's assistance in the March 5, 2013 Appraisal Subcommittee (ASC) staff Follow-up Review. This was a Follow-up Review of the March 26-28, 2012 ASC Compliance Review of the New Jersey appraiser regulatory program.

As detailed in the attached Follow-up Report, New Jersey made progress toward addressing areas of non-compliance. We commend the New Jersey Program for its efforts and the progress made.

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: Mr. Eric T. Kanefsky, Acting Director, Division of Consumer Affairs
Mr. John A. McCann, President, New Jersey Real Estate Appraiser Board

ASC Staff Follow-Up Report: 2012 Compliance Review

New Jersey Appraiser Regulatory Program (Program)						
Board of Real Estate Appraisers (Board) / Decision Making			Follow-Up Review Date: March 5, 2013	Follow-Up Report Issue Date: April 5, 2013		
Umbrella Agency: Office of the Attorney General, Division of Consumer Affairs, Department of Law and Public Safety (Division)			ASC Compliance Review Date: March 26-28, 2012	PM: J. Tidwell		
Requirement/Guidance	ASC Staff Assessment Compliance (YES/NO) Areas of Concern (AC)			Required/Recommended State Actions from the March 28, 2012 Compliance Review	Status as of March 5, 2013 Follow-Up	Further Required Actions/Comments
	Yes	No	AC			
New Jersey Statutes, Regulations, Policies and Procedures continued:		X				
States must have sufficient funding and staffing consistent with the purpose of Title XI. (Title XI § 1118 (a), 12 U.S.C 3347.)				As discussed in the Enforcement Section of this Report, New Jersey was required to provide a written plan on how it will address the State's significant backlog of outstanding complaints and facilitate more timely complaint disposition in the future.	In letters dated July 24, 2012 and November 29, 2012, and during the ASC Follow-up Review on March 5, 2013, the Board reported to ASC staff its plan to improve its enforcement program, by convening special committee meetings for the limited purpose of conducting investigative inquires.	Further Required Actions: The Board should continue to dedicate its resources toward addressing the State's significant back-log of enforcement cases. Comments: None
Enforcement:		X				
States should resolve all complaints filed against appraisers within one year, except for special documented circumstances. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.)				The Board must: (1) within 60 days of receipt of this Report provide a written plan on how it will address the State's significant backlog of outstanding complaints and facilitate more timely complaint disposition in the future; and (2) continue to send quarterly complaint logs to ASC staff to allow monitoring of the Board's progress towards addressing this situation.	In a letter dated November 29, 2012, the Board reported that it will convene a committee of Board members on scheduled dates for the limited purpose of conducting investigative inquires for disciplinary matters. Additionally, the Board is exploring the development of a more streamlined process for resolving cases that involve less significant violations. During the March 2013 Follow-up Review, New Jersey had 56 outstanding complaints of which 23 were unresolved for more than 1 year. None of the complaints outstanding for more than 1 year fall under the exception for special documented circumstances. Of those 23 cases, 9 were in various stages of prosecution or the disciplinary process, and 14 were still under investigation. Additionally, of the aged cases, 1 was received in 2008, 4 were received in 2009, 3 were received in 2010, 13 were received in 2011, and 2 were received in 2012. The Board continues to schedule additional investigative inquires. The Board closed 84 cases since the ASC Compliance Review in March 2012.	Further Required Actions: The Board must continue to send quarterly complaint logs to ASC staff to allow monitoring of the Board's progress towards addressing this concern. The Board should continue to explore the development of new processes for expediting the resolution of less significant violations. Comments: To strengthen the Program, the Board should adopt detailed written comprehensive policies and procedures addressing complaint processing and disposition to ensure timely resolution of all complaints consistent with the requirements of Title XI. Through off-site monitoring and during the next Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 10E.