

Appraisal Subcommittee

Federal Financial Institutions Examination Council

July 28, 2011

Mr. Brad Janoush, Chair
Idaho Real Estate Appraiser Board
Idaho Bureau of Occupational Licenses
700 W. State Street
Boise, ID 83720-0063

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

Dear Mr. Janoush:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of Idaho's appraiser regulatory program (Program) on February 7-9, 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. The ASC has determined the Program is not in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended. The ASC identified the following area of non-compliance:

- States should resolve all complaints filed against appraisers within one year, except for special documented circumstances.¹

In its response, the State indicated corrective actions were taken. During the next Review, ASC staff will confirm these corrective actions have taken place and are appropriate. Please also be advised 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,



Deborah S. Merkle
Chairman

Attachment

cc: Ms. Tana Cory, Bureau Chief
Mr. Steven L. Olsen, Idaho Office of the Attorney General

¹ Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.

ASC Compliance Review Report

Finding: Not In Substantial Compliance

Report Issue Date: July 28, 2011

Idaho Appraiser Regulatory Program (Program)

ID Real Estate Appraiser Board (Board) / Decision Making	PM: J. Tidwell	ASC Compliance Review Date: February 7-9, 2011	Review Period: February 2009 to February 2011
Umbrella Agency: ID Bureau of Occupational Licenses (Bureau)		Number of State Credentialed Appraisers on National Registry: 758	Issue: FINAL

Requirement/Guidance	ASC Finding Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Idaho Statutes, Regulations, Policies and Procedures:			X					
States must have sufficient legal and administrative resources to perform Title XI-related duties. (Title XI § 1118 (b), 12 U.S.C 3347.)				While on site, ASC staff found that the Program's complaint investigation and resolution process is untimely, resulting in a backlog of cases that appear to be due to a lack of resources. (See Enforcement section below.) The Attorney General's (AG's) office is currently under a hiring freeze and the number of attorneys in the AG's office has been reduced approximately 16%. Also, the AG's office staff has been required to take furlough days during the last Review Cycle. As a result the Bureau staff has been drafting stipulations regarding continuing education compliance to assist the AG's office with the workload. In addition, the Bureau was short two investigators; one due to retirement, and one due to medical reasons.	On April 15, 2011, the Board and Bureau informed ASC staff that the AG;s Office and the Bureau are working jointly to address the timely resolution of disciplinary cases. Two Board members have recently been appointed to work on disciplinary cases; the Bureau has filled the two open investigative positions; and the legislature approved an additional investigator in the Bureau's FY 2010 budget.	None	To strengthen the Program, Board and Bureau staff should continue to improve processing of complaints of appraiser misconduct and wrongdoing to ensure compliance with Policy Statement 10E. In addition, Board and Bureau staff should monitor the processes and newly assigned resources to ensure compliance with Title XI.	Through off-site monitoring and during the next Review, ASC staff will pay particular attention to this area to ensure compliance with Title XI.

ASC Compliance Review Report

Finding: Not In Substantial Compliance

Report Issue Date: July 28, 2011

Idaho Appraiser Regulatory Program (Program)

ID Real Estate Appraiser Board (Board) / Decision Making	PM: J. Tidwell	ASC Compliance Review Date: February 7-9, 2011	Review Period: February 2009 to February 2011
Umbrella Agency: ID Bureau of Occupational Licenses (Bureau)		Number of State Credentialed Appraisers on National Registry: 758	Issue: FINAL

Requirement/Guidance	ASC Finding Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Temporary Practice:	X			No compliance issues noted.	N/A	None	None	None
National Registry:	X			In the review of 38 enforcement files, ASC staff identified five disciplinary actions that had not been reported to the ASC for inclusion on the National Registry.	On April 15, 2011, the Board and Bureau informed ASC staff the Bureau staff reviewed all disciplinary actions taken in the past two years and determined that only the five actions noted by ASC staff had not been reported on the National Registry. Since the audit, Bureau investigative staff obtained real time access to the National Registry and can now record disciplinary actions directly.	None	To strengthen the Program, Board and Bureau staff should monitor the new procedure for reporting disciplinary actions to ensure compliance with Title XI and ASC Policy Statement 9A.	Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area to ensure compliance with Title XI and ASC Policy Statement 9A.
Application Process:	X			No compliance issues noted.	N/A	None	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None	None
Education:	X			No compliance issues noted.	N/A	None	None	None

ASC Compliance Review Report

Finding: Not In Substantial Compliance

Report Issue Date: July 28, 2011

Idaho Appraiser Regulatory Program (Program)

ID Real Estate Appraiser Board (Board) / Decision Making	PM: J. Tidwell	ASC Compliance Review Date: February 7-9, 2011	Review Period: February 2009 to February 2011
---	----------------	--	---

Umbrella Agency: ID Bureau of Occupational Licenses (Bureau)	Number of State Credentialed Appraisers on National Registry: 758	Issue: FINAL
--	---	--------------

Requirement/Guidance	ASC Finding Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
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.)				Idaho had 91 outstanding complaints of which 43 were unresolved for more than one year. Three cases fall under the exception for special documented circumstances. Therefore, of the 91 outstanding complaints, 40 (44%) were not resolved in accordance with ASC Policy Statement 10E. Of those 40 cases, 34 were investigated and in the AG's office in various stages of the disciplinary process, and 6 were still under investigation. ASC staff found the Bureau takes about one year to complete a complaint investigation. Therefore the Program is often out of compliance before the case is referred to the AG's office.	On April 15, 2011, the Board and Bureau informed ASC staff that the AG's Office and the Bureau are working jointly to address the timely resolution of disciplinary cases, and that additional resources have been dedicated to the Program as set forth above.	Idaho must submit quarterly complaint logs to ASC staff. Staff will analyze each log. If progress is not made, the ASC may place additional requirements upon the State. The ASC Policy Manager assigned to the State will work with Program staff to determine the timing and content of the complaint log.	To strengthen the Program, Board and Bureau staff should monitor the new processes and newly assigned resources to ensure compliance with Title XI and ASC Policy Statement 10E.	Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area to ensure compliance with Title XI and ASC Policy Statement 10E.