

■ ■ ■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

August 19, 2019

Mr. Paul Morgan, Chairman
Real Estate Appraiser Board
Bureau of Occupational Licenses
PO Box 83720
Boise ID 83720-0063

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

Dear Mr. Morgan:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Idaho appraiser regulatory program (Appraiser Program) on April 15-17, 2019, 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 Appraiser Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the Idaho Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States must ensure appraiser credential applications submitted for processing do not contain invalid examinations as established by AQB Criteria;¹ and
- States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought.²

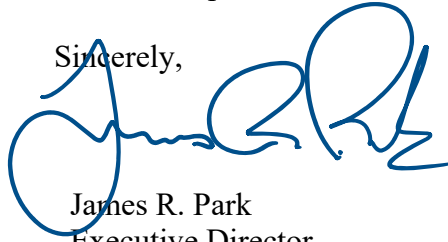
ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Idaho will remain on a two-year Review Cycle.

¹ 12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 4 A.

² 12 U.S.C. § 3347; Policy Statement 4 B, C.

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,

A handwritten signature in blue ink, appearing to read "James R. Park". The signature is stylized with large loops and a long horizontal stroke.

James R. Park
Executive Director

Attachment

cc: Ms. Kelley Packer, Bureau Chief

Ms. Cesley Metcalfe, Technical Records Specialist II

ASC State Appraiser Program Compliance Review Report

ASC Finding: Good
Final Report Issue Date: August 19, 2019

Idaho Appraiser Regulatory Program (State)		PM: V. Metcalf	ASC Compliance Review Date: April 15-17, 2019	Review Period: April 2017 - April 2019
Idaho Real Estate Appraiser Board (Board)			Number of State Credentialed Appraisers on National Registry: 723	Review Cycle: Two Year
Umbrella Agency: Bureau of Occupational Licenses				

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						
States must, at a minimum, adopt and/or implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.)				AQB Criteria only allows State appraiser regulatory agencies to grant deferrals of continuing education (CE) for active military or those impacted by a state or federally-declared disaster. Idaho regulation 24.18.01 section 401.06 authorizes the Board to defer CE for other reasons, such as hardship, health, or other good cause.	On July 11, 2019, the State reported that a recent reauthorization of administrative rules process allowed Idaho regulation 24.18.01 section 401.06 to expire as of June 30, 2019. Therefore, Idaho law and rule no longer allows for deferrals. No CE waivers were ever granted.	None	None
Statutes, Regulations, Policies and Procedures continued:			X				
States must require that appraisals be performed in accordance with the latest version of USPAP. (12 U.S.C. § 3331; 12 U.S.C. § 3347; Policy Statement 1 F.)				Idaho Statute 54-4107 (e) cites "negligence or incompetence as defined by USPAP" as actions for which the Board may refuse to issue, refuse to renew, suspend, revoke, or otherwise sanction an appraiser's credential. Neither negligence or incompetence is defined in USPAP.	On July 11, 2019, the State reported that it will discuss amending Idaho Statute 54-4107(e) the next time the statutes are open for revision.	The State should amend its statute to bring it into compliance.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement F.
Temporary Practice:	X						
				No compliance issues noted.	N/A	None	None
National Registry:			X				
States are required to report all disciplinary actions via the extranet application within 5 business days after the disciplinary action is final, as determined by State law. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 D.)				The State did not report all disciplinary actions to the ASC National Registry timely.	On July 11, 2019, the State reported that the licensing and investigative staff have begun to provide disciplinary actions timely.	The State should monitor its procedures for reporting discipline to ensure compliance with Title XI and ASC Policy Statement 3.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 3.

ASC State Appraiser Program Compliance Review Report

ASC Finding: Good
Final Report Issue Date: August 19, 2019

Idaho Appraiser Regulatory Program (State)			
Idaho Real Estate Appraiser Board (Board)	PM: V. Metcalf	ASC Compliance Review Date: April 15-17, 2019	Review Period: April 2017 - April 2019
Umbrella Agency: Bureau of Occupational Licenses		Number of State Credentialed Appraisers on National Registry: 723	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				
Application Process:		X					
States must ensure appraiser credential applications submitted for processing do not contain invalid examinations as established by AQB Criteria. (12 U.S.C. § 3347; Policy Statement 4 A.)				Appraiser credentials were issued to 2 applicants whose examination was more than 12 months over the 24-month validity period.	On July 11, 2019, the State reported its implementation of preventative steps to ensure future compliance.	The State must monitor the new application processing procedures to ensure compliance with AQB Criteria and ASC Policy Statement 4.	ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 4 and AQB Criteria during the next Review.
Application Process continued:		X					
States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought. (12 U.S.C. § 3347; Policy Statement 4 B, C.)				The State issued 1 appraiser credential without verifying the applicant had completed the required courses consistent with AQB Criteria.	On July 11, 2019, The State reported that on June 21, 2019, they inactivated the credential on the National Registry; and replaced the credential with one clearly stating that the licensee is not eligible for federally-related transactions.	The State must verify that all applicants have successfully completed courses consistent with AQB Criteria for the appraiser credential sought.	ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 4 and AQB Criteria during the next Review.
Reciprocity:	X						
				No compliance issues noted.	N/A	None	None
Education:	X						
				No compliance issues noted.	N/A	None	None
Enforcement:	X						
				No compliance issues noted.	N/A	None	None