

November 22, 2024

**Via Email**

Amy Hall, Board Director  
Real Estate Appraiser Licensure and Certification Board  
Professional Licensing Agency  
Indiana Government Center South, Room WO72  
402 W. Washington St.  
Indianapolis, IN 46204  
[AHall1@pla.in.gov](mailto:AHall1@pla.in.gov)

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

Dear Amy Hall:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Indiana appraiser regulatory program (Appraiser Program) on April 25-27, 2023, to determine the Appraiser Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.<sup>1</sup>

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program is given an ASC Finding of "Not Satisfactory." The final ASC Compliance Review Report (Report) of the Indiana Appraiser Program is attached.

The ASC identified the following area(s) of non-compliance:

- States must have funding and staffing sufficient to carry out their Title XI-related duties;<sup>2</sup>
- States must report all disciplinary action taken against an appraiser to the ASC;<sup>3</sup>
- States must ensure that staff authorization information provided to the ASC is updated and accurate;<sup>4</sup>
- States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance, upgrade or renewal of a credential so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations;<sup>5</sup>
- States must verify that all claimed qualifying and continuing education courses are acceptable under AQB Criteria;<sup>6</sup>

---

<sup>1</sup> 12 U.S.C. §§ 3331-3356.

<sup>2</sup> 12 U.S.C. § 3347; Policy Statement 1 B.

<sup>3</sup> 12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 A, D.

<sup>4</sup> 12 U.S.C. § 3347; Policy Statement 3 A, C.

<sup>5</sup> 12 U.S.C. § 3347; Policy Statement 4 A.

<sup>6</sup> 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.

- States must establish a reliable process to audit affidavits for continuing education in the case of a renewal being processed after the credential's expiration date, but within the State's allowed grace period for a late renewal;<sup>7</sup>
- States must ensure that appraiser education courses are consistent with AQB Criteria;<sup>8</sup>
- States must ensure that appraiser education courses are consistent with AQB Criteria;<sup>9</sup>and
- States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria.<sup>10</sup>

ASC staff will confirm appropriate corrective actions have been taken during the next Review. Indiana will be moved to a one-year Review Cycle.

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 black ink, appearing to read "ZQM f'".

Zixta Q. Martinez  
ASC Chair

Attachment

cc: Wayne Johnson, Chair, via email to [AHall1@pla.in.gov](mailto:AHall1@pla.in.gov)

---

<sup>7</sup> 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 C.

<sup>8</sup> 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 6 A.

<sup>9</sup> 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 6 A.

<sup>10</sup> 12 U.S.C. § 3347; Policy Statement 6 A.

## ASC Finding Descriptions

| ASC Finding       | Rating Criteria   | Review Cycle*                     |
|-------------------|---|-----------------------------------|
| Excellent         | <ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>  | 2-year                            |
| Good              | <ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>  | 2-year                            |
| Needs Improvement | <ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>                                     | 2-year with additional monitoring |
| Not Satisfactory  | <ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul> | 1-year                            |
| Poor              | <ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>  | Continuous monitoring             |

\*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

\*\*An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.



**ASC State Appraiser Program Compliance Review Report**

ASC Finding: Not Satisfactory

Final Report Issue Date: November 22, 2024

**Indiana Appraiser Regulatory Program (State)**

|   |               |  |                                      |
|---|---------------|--|--------------------------------------|
| Indiana Real Estate Appraiser Licensure and Certification Board (Board) | PM: K. Klamet | ASC Compliance Review Date: April 25-27, 2023                        | Review Period: May 2021 - April 2023 |
| Umbrella Agency: Indiana Professional Licensing Agency (IPLA)           |               | Number of State Credentialed Appraisers on Appraiser Registry: 2,136 | Review Cycle: One Year               |

| Applicable Federal Citations  | Compliance (YES/NO)<br>Areas of Concern (AC) |    |    | ASC Staff Observations  | State Response   | Required/Recommended State Actions  | General Comments  |
|---|--|----|----|---|--|---|---|
|   | YES  | NO | AC |   |  |   |   |
| <b>Statutes, Regulations, Policies and Procedures:</b>  |  | X  |    |   |  |   |   |
| States must have funding and staffing sufficient to carry out their Title XI-related duties. (12 U.S.C. § 3347; Policy Statement 1 B.)  |  |    |    | Since the April 2019 Review, the State has undergone a reorganization. All State positions assigned to the Appraiser Program changed. As a result, the State's Program staff are not familiar with their Title XI responsibilities. | The State's August 31, 2023, correspondence did not include a response addressing this area of non-compliance.   | The State must provide ASC staff with a written plan, within 90 days of the date of this report, on how the State will achieve and maintain the necessary resources to perform its Title XI-related duties. | Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 1.  |
| <b>Temporary Practice:</b>  |  |    | X  |   |  |   |   |
| States must track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any. (12 U.S.C. § 3351; Policy Statement 2 B.) |  |    |    | The State's temporary practice permit log did not include the date the completed application was received.  | On August 31, 2023, the State reported that the temporary practice permit log has been rectified.<br><br>At the same time, the State provided a copy of the revised temporary practice permit log.             | None  | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2.  |
| <b>National Registry:</b>   |  | X  |    |   |  |   |   |
| States must report all disciplinary action taken against an appraiser to the ASC. (12 U.S.C. § 3347; 12 U.S.C. § 3338; Policy Statement 3 A, D.)  |  |    |    | The State did not report all disciplinary actions to the Appraiser Registry.  | On August 31, 2023, the State reported that the disciplinary actions have been added to the Appraiser Registry.<br><br>At the same time, the State provided a screen shot of the disciplinary actions entered. | The State must ensure that all disciplinary actions are reported to the Appraiser Registry in accordance with ASC Policy Statement 3 A, D.  | Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.<br><br>This was an Area of Concern in the 2019 Compliance Review Report. |
| <b>National Registry continued:</b>   |  | X  |    |   |  |   |   |
| States must ensure that the authorization information provided to the ASC is updated and accurate. (12 U.S.C. § 3347; Policy Statement 3 A, C.)   |  |    |    | The State failed to ensure that the authorization information for access to the Appraiser National Registry was updated and accurate.   | On August 31, 2023, the State reported that all authorization information is up-to-date.   | The State must ensure that authorizations to access the National Registry of Appraisers are current and accurate.   | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.  |



### ASC State Appraiser Program Compliance Review Report

**ASC Finding: Not Satisfactory**

Final Report Issue Date: November 22, 2024

**Indiana Appraiser Regulatory Program (State)**

|  |  |   |                                      |
|--|--|---|--------------------------------------|
| <b>Indiana Real Estate Appraiser Licensure and Certification Board (Board)</b> | PM: K. Klamet  | ASC Compliance Review Date: April 25-27, 2023 | Review Period: May 2021 - April 2023 |
| <b>Umbrella Agency: Indiana Professional Licensing Agency (IPLA)</b>           | Number of State Credentialed Appraisers on Appraiser Registry: 2,136 |   | Review Cycle: One Year               |

| Applicable Federal Citations  | Compliance (YES/NO)<br>Areas of Concern (AC) |    |    | ASC Staff Observations   | State Response  | Required/Recommended State Actions   | General Comments   |
|---|--|----|----|--|---|--|--|
|   | YES  | NO | AC |  |   |  |  |
| <b>Application Process:</b>   |  | X  |    |  |   |  |  |
| States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance, upgrade or renewal of a credential so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations. (12 U.S.C. § 3347; Policy Statement 4 A.) |  |    |    | The State's application files did not contain documentation to support that applicants' experience was reviewed and approved for USPAP compliance.   | On August 31, 2023, the State reported all applicants' files were reviewed for USPAP compliance; however, documentation supporting those reviews could not be located.<br><br>At the same time, the State provided a copy of an updated checklist, which includes a sign-off for Board members' review and approval/denial of an applicant's experience for USPAP compliance. | The State should ensure that all documentation to support its validation methods are available to ASC staff for future Compliance Reviews.   | Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4.   |
| <b>Application Process continued:</b>   |  | X  |    |  |   |  |  |
| States must verify that all claimed qualifying and continuing education courses are acceptable under AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.)   |  |    |    | The State renewed appraiser credentials without verifying whether the applicant had successfully completed all continuing education (CE) consistent with the Appraiser Qualifications Board's Real Property Appraiser Qualification Criteria (AQB Criteria) for renewal. | On August 31, 2023, the State reported that they are implementing a new process to mandate approved CE sponsors to upload education documentation directly to a licensee's online file.   | The State must ensure that all documentation to support its validation methods are available to ASC staff for future Compliance Reviews.   | Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4.   |
| <b>Application Process continued:</b>   |  | X  |    |  |   |  |  |
| States must establish a reliable process to audit affidavits for continuing education in the case of a renewal being processed after the credential's expiration date, but within the State's allowed grace period for a late renewal. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 C.)              |  |    |    | The State did not conduct a prompt post-approval audit of CE affidavits to identify appraisers who fail to comply with Federal and State law.  | On August 31, 2023, the State reported that they are implementing a new process to mandate approved CE sponsors to upload education documentation directly to a licensee's online file.   | Within 90 days of the date of this Report, the State must conduct a 2022 post-approval CE audit of renewals processed after the credential's expiration date, but within the State's allowed grace period for late renewal, and identify appraisers who failed to comply with Federal and State law, and provide ASC staff with the results. | Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4.<br><br>This was a finding in the 2019 Compliance Review Report. |
| <b>Reciprocity:</b>   | X  |    |    |  |   |  |  |
|   |  |    |    | No compliance issues noted   | None  | None   | None   |
| <b>Education:</b>   |  | X  |    |  |   |  |  |
| States must ensure that appraiser education courses are consistent with AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 6 A.)   |  |    |    | The State issued appraiser credentials without ensuring the applicant had successfully completed CE courses consistent with the AQB Criteria for renewal.  | On August 31, 2023, the State reported that they are implementing a new process to mandate approved CE sponsors to upload education documentation directly to a licensee's online file.<br><br>In addition, the State reported that the applicants CE was audited to confirm successful completion.   | The State must ensure that appraiser CE courses used for renewal are consistent with AQB Criteria and are successfully completed by the appraiser applicant.   | During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 6.   |



**ASC State Appraiser Program Compliance Review Report**

ASC Finding: Not Satisfactory

Final Report Issue Date: November 22, 2024

**Indiana Appraiser Regulatory Program (State)**

|   |               |  |                                      |
|---|---------------|--|--------------------------------------|
| Indiana Real Estate Appraiser Licensure and Certification Board (Board) | PM: K. Klamet | ASC Compliance Review Date: April 25-27, 2023                        | Review Period: May 2021 - April 2023 |
| Umbrella Agency: Indiana Professional Licensing Agency (IPLA)           |               | Number of State Credentialed Appraisers on Appraiser Registry: 2,136 | Review Cycle: One 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 |  |   |  |  |
| <b>Education continued:</b>   |   | X  |    |  |   |  |  |
| States must ensure that appraiser education courses are consistent with AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 6 A.)           |   |    |    | The State accepted appraiser education courses without review and approval by the State or verification of Appraiser Qualifications Board's Course Approval Program (AQB CAP) approval for one education provider. | On August 31, 2023, the State reported that they are implementing a new process to mandate approved CE sponsors to upload education documentation directly to a licensee's online file. | The State must review the approved courses for this provider to determine whether they meet AQB Criteria or verification of approval by AQB CAP, and if the courses do not meet the requirements, take the appropriate action to remove the courses or hours.<br><br>Within 90 days of this report date, the State must notify ASC staff in writing of the findings. | Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 6. |
| <b>Education continued:</b>   |   | X  |    |  |   |  |  |
| States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria. (12 U.S.C. § 3347; Policy Statement 6 A.) |   |    |    | The State did not maintain documentation to support that courses conform to AQB Criteria.  | On August 31, 2023, the State provided a copy of a new checklist created to audit and review CE courses to ensure compliance with the AQB Criteria.                                     | The State must ensure that all documentation to support its validation methods are available to ASC staff for future Compliance Reviews.   | Through off-site monitoring and during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 6. |
| <b>Enforcement:</b>   | X   |    |    |  |   |  |  |
|   |   |    |    | No compliance issues noted   | None  | None   | None   |