

December 6, 2024

Via Email

Michelle Bird, Executive Officer
Idaho Real Estate Appraiser Board
Division of Occupational and Professional Licenses
11341 West Chinden Boulevard, Building #4
Boise, ID 83714
Michelle.Bird@dopl.idaho.gov

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

Dear Michelle Bird:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Idaho appraiser regulatory program (Appraiser Program) on June 12-14, 2024, to determine the Appraiser Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.¹

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 "Needs Improvement." 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 issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action;²
- States must ensure that staff authorization information provided to the ASC is updated and accurate;³
- States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought;⁴
- States must ensure appraiser credential applications submitted for processing do not contain invalid examinations as established by AQB Criteria;⁵
- States must select the work product to validate the experience hours claimed on all initial or upgrade applications for appraiser credentialing;⁶

¹ 12 U.S.C. §§ 3331-3356.

² 12 U.S.C. § 3351; Policy Statement 2 B.

³ 12 U.S.C. § 3347; Policy Statement 3 A, C.

⁴ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.

⁵ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 A.

⁶ 12 U.S.C. § 3347; Policy Statement 4 D.

- States must complete audits of affidavits for continuing education credit claimed within sixty (60) business days from the date the credential is scheduled for renewal (based on the credential's expiration date);⁷
- States must maintain relevant documentation to enable understanding of the facts and determinations in the matter and the reasons for those determinations;⁸ and
- States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances.⁹

ASC staff will confirm appropriate corrective actions have been taken through off-site monitoring and during the next Review. Idaho will remain on a two-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,



Zixta Martinez
Chair

Attachment

cc: Jesama Rosensweig, Licensing Supervisor, Jesama.Rosensweig@dopl.idaho.gov
Jessica Spoja, Licensing Program Manager, Jessica.Spoja@dopl.idaho.gov

⁷ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 C.

⁸ 12 U.S.C. § 3347; Policy Statement 7 B.

⁹ 12 U.S.C. § 3347; Policy Statement 7 B.

ASC Finding Descriptions

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

Final Report Issue Date: December 06, 2024

Idaho Appraiser Regulatory Program (State)

Idaho Real Estate Appraiser Board (Board)	PM: J. Stewart	ASC Compliance Review Date: June 12-14, 2024	Review Period: August 2022 to May 2024
Umbrella Agency: Division of Occupational and Professional Licenses		Number of State Credentialed Appraisers on Appraiser Registry: 838	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				
Statutes, Regulations, Policies and Procedures:			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.)				States are required to adopt the most recent edition of the Uniform Standards of Professional Appraisal Practice (USPAP). The State has not adopted the most current edition of USPAP.	On September 9, 2024, the State reported that the most current edition (2024) of USPAP is required in Idaho Administrative Rule 24.18.01.003 that was approved by the Idaho Legislature and went into effect on July 1, 2024.	The State should ensure their Rules are updated regularly to include a reference to the most recent edition of USPAP.	None
Temporary Practice:		X					
States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action. (12 U.S.C. § 3351; Policy Statement 2 B.)				The State failed to process 2 temporary practice permits within 5 business days of receipt of a completed application.	On September 9, 2024, the State provided evidence that 2 of the 4 temporary practice permits were processed within 5 business days of receiving a completed application.	The State must monitor the process to ensure temporary practice permits are issued within 5 business days of receipt of completed application.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2.
Temporary Practice Continued:			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 does not include the permit's date of expiration.	On September 9, 2024, the State reported that the expiration date has been added to the log. The State went on to report that their new licensing system will have the ability to run a report that includes all required items.	The State should ensure the temporary practice permit log includes all required fields.	None



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Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
National Registry:			X				
States using the ASC extranet application must implement written policies to ensure that all personnel with access to the Appraiser Registry protect the right of access and not share the User Name or Password with anyone. (12 U.S.C. § 3347; Policy Statement 3 A.)				The State does not have a written policy protecting access to the ASC extranet and Appraiser Registry.	On September 9, 2024, the State reported that staff were unable to locate the written policy on file prior to the audit. The State went on to say the policy has since been located and updated to reflect current data transfer processes with the new licensing system, and was provided for review.	The State should be aware of and follow its written Appraiser Registry policy.	None
National Registry Continued:		X					
States must ensure that staff authorization information provided to the ASC is updated and accurate. (12 U.S.C. § 3347; Policy Statement 3 A, C.)				The State failed to notify the ASC that 2 program staff members with authorization had left the program.	On September 9, 2024, the State reported that staff working within the Program have reviewed the written policy. New processes have been set in place to notify ASC upon an employee's departure to ensure access is removed.	The State must follow its written policy and process to ensure staff authorization information provided to the ASC is updated 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.
Application Process:		X					
States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.)				The State failed to adequately document 1 application file to support qualifying education claims on an upgrade application for appraiser credentialing.	On September 9, 2024, the State reported that its new licensing system does not allow a license to be issued unless all qualifications have been met. The State went on to report that they were able to obtain the completion certificates from the applicant and have them on record.	The State must monitor its new licensing system to ensure all applicants have successfully completed courses consistent with AQB Criteria for the appraiser credential sought.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4.



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Idaho Appraiser Regulatory Program (State)					
Idaho Real Estate Appraiser Board (Board)		PM: J. Stewart		ASC Compliance Review Date: June 12-14, 2024	
Umbrella Agency: Division of Occupational and Professional Licenses			Number of State Credentialed Appraisers on Appraiser Registry: 838		Review Period: August 2022 to May 2024
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 Continued:		X					
States must ensure appraiser credential applications submitted for processing do not contain invalid examinations as established by AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 A.)				The State gave 1 Certified Residential applicant an extension to take and pass the required AQB examination beyond 24 months.	On September 9, 2024, the State reported that the applicant's exam approval expired during COVID. Staff was unaware that they were not allowed to approve extensions for extenuating circumstances. The State went on to report that the appropriate personnel have now been adequately trained.	The State must monitor its exam approval process to ensure applications submitted for processing do not contain invalid examinations as established by AQB Criteria.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4.
Application Process Continued:		X					
States must select the work product to validate the experience hours claimed on all initial or upgrade applications for appraiser credentialing. (12 U.S.C. § 3347; Policy Statement 4 D.)				The State allowed 1 Certified Residential applicant to select a work product sample for the Board to review for USPAP Compliance.	On September 9, 2024, the State reported that the appropriate personnel have been adequately trained, and that Staff or Board members are selecting all samples to be reviewed.	The State must follow its policy to ensure staff or Board members select work product to validate the experience hours claimed on all initial or upgrade applications for appraiser credentialing.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4.



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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 Continued:		X					
States must complete audits of affidavits for continuing education credit claimed within sixty (60) business days from the date the credential is scheduled for renewal (based on the credential's expiration date). (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 C.)				The State failed to complete its post-approval audit within sixty (60) business days. The State went on to report that protocols for the education supervisor have been added within the licensing system if the post-approval audit deadline is approaching without the necessary resolution so the workload can be reassigned to meet the deadline as needed.	On September 9, 2024, the State reported that the new licensing system will monitor the audit deadlines and notify staff as the deadlines are approaching. The State went on to report that protocols for the education supervisor have been added within the licensing system if the post-approval audit deadline is approaching without the necessary resolution so the workload can be reassigned to meet the deadline as needed.	The State must monitor the new licensing system to ensure audits of affidavits for continuing education credit claimed occur within sixty (60) business days from the date the credential is scheduled for renewal.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4.
Reciprocity:	X						
				No compliance issues noted.	N/A	None	None
Education:	X						
				No compliance issues noted.	N/A	None	None



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Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Enforcement:		X					
States must maintain relevant documentation to enable understanding of the facts and determinations in the matter and the reasons for those determinations. (12 U.S.C. § 3347; Policy Statement 7 B.)				The State failed to maintain relevant documentation to enable an understanding of the facts and determinations and the reasons for those determinations.	On September 9, 2024, the State reported the investigative summaries and pro-reviewer reports contain relevant documentation that the Board uses to make determinations. The reasons for the Board's decision will be documented in the new licensing system.	The State must monitor its process to ensure that enforcement files are appropriately documented and include rationale.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7.
Enforcement Continued:		X					
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)				The State had 7 aged complaints that were unresolved for more than 2 years without the exemption for special documented circumstances.	On September 9, 2024, the State reported that the new licensing system will monitor the complaint deadlines and notify staff as the deadlines are approaching. The State went on to report that contracts have also now been signed with two prosecutors and five pro-reviewers to ensure a resolution in the 12-month period.	The State must monitor the new licensing system to ensure complaints are resolved timely and the backlog of aged complaints is eliminated.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7.