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Appraisal Subcommittee
Federal Financial Institutions Examination Council

December 8, 2010

Mr. Joseph Ibach, Chair
Real Estate Appraiser Qualifications & Ethics Board
P.O. Box 1336
Bismarck, ND 58502-1336

RE: ASC Compliance Review of North Dakota's appraiser regulatory program

Dear Mr. Ibach:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of North Dakota's appraiser regulatory program (Program) on June 21-23, 2010. 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 in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

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. Jodie Campbell, Board Administrator

ASC Compliance Review Report

Finding: In Substantial Compliance
Report Issue Date: December 8, 2010

North Dakota Appraiser Regulatory Program (Program)

North Dakota Real Estate Appraiser Qualifications and Ethics Board (Board) / Decision Making

PM: J. Tidwell

ASC Compliance Review (Review) Date: June 21-23, 2010

Review Period: July 2008 to June 2010

Umbrella Agency: Independent

Number of North Dakota credentialed appraisers on National Registry: 217

Issue: FINAL

Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	North Dakota Response	Required North Dakota Actions	Recommended North Dakota Actions	General Comments
	YES	NO	AC					
North Dakota Statutes, Regulations, Policies and Procedures:	X							
				No compliance issues noted.	N/A	None	None	None
Temporary Practice:	X							
				No compliance issues noted.	N/A	None	None	None
National Registry:	X							
				No compliance issues noted.	N/A	None	None	None
Application Process:	X							
States must use a reliable means of validating appraiser experience claims on all initial applications for appraiser credentialing. (Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria; ASC Policy Statement 10G.)				North Dakota uses a point system for determining appraiser experience hours and does not require applicants to provide their actual number of hours worked as required in the Appraiser Qualifications Board Real Property Appraiser Qualification Criteria (AQB Criteria). While the experience logs were technically incomplete, there was enough information to support applicants' appraisal experience.	On September 7, 2010, the Board informed ASC staff that it revised its experience log to require applicants to provide their actual number of hours worked. The Board further requested that all applicants approved since the date of the prior Compliance Review (8/1/08) revise their experience logs submitted with their application to include the actual number of hours worked.	None	None	During the next Review, ASC staff will pay particular attention to this area for compliance with Title XI, AQB Criteria and ASC Policy Statement 10G.
Reciprocity:	X							
				No compliance issues noted.	N/A	None	None	None

ASC Compliance Review Report

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Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	North Dakota Response	Required North Dakota Actions	Recommended North Dakota Actions	General Comments
	YES	NO	AC					
Education:	X							
States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Real Property Appraiser Qualification Criteria. (Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria; ASC Policy Statement 10F.)				<p>The Board approved appraiser education courses for an indefinite period of time. The master list of appraiser education courses did not contain expiration dates.</p> <p>States should ensure that approved appraiser course expiration dates assigned by the State coincide with the expiration date(s) assigned by the Appraiser Qualifications Board's Course Approval Program and/or International Distance Education Certification Center.</p> <p>ASC staff's review of the application files did not identify any instances where the State relied on an expired course for determining an appraiser's compliance with AQB Criteria.</p>	On September 7, 2010, the Board informed ASC staff that it is in the process of establishing expiration dates for all approved courses.	None	None	During the next Review, ASC staff will pay particular attention to this area for compliance with Title XI, AQB Criteria and ASC Policy Statement 10F.
Enforcement:	X			No compliance issues noted.	N/A	None	None	None