

# NORTH DAKOTA REAL ESTATE APPRAISER QUALIFICATIONS AND ETHICS BOARD

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October 16, 2008

Ms. Virginia M. Gibbs, Chairperson  
Appraisal Subcommittee  
1401 H Street, NW Suite 760

DEC 19 2008

RE: 2008 Field Review

Dear Ms. Gibbs:

The North Dakota Real Estate Appraisal Qualifications and Ethics Board (the Board) has received your August 21, 2008 letter concerning the July 15-16, 2008 Appraisal Subcommittee field review of the North Dakota Appraisal Board and its regulatory program. The Board has reviewed and acknowledges the findings and recommendations found by the ASC in its review process.

**ASC Finding: North Dakota's complaint investigation and resolution process did not comply with Title XI and ASC Policy Statement 10E.**

North Dakota was found to have six complaints which had been outstanding for more than a year. Of the six complaints, three involved the same appraiser. This appraiser was an out-of-state who did not renew his license in North Dakota. The Board, at the recommendation of legal counsel, made the determination to forward the investigations to the appraiser's home state.

The Board now recognizes its responsibility to investigate and discipline out-of-state appraisers who do not renew their ND permit. *Accordingly, the Board will be re-visiting the three complaints involving the out-of-state appraiser who did not renew to make a determination. In addition, at the recommendation of the ASC Staff, the Board will move forward to amend its rules and regulations, to address the issue of "non-renewal of appraisers while under an investigation".*

Another of the outstanding complaints 1) is one of the more complicated investigations the Board has addressed, 2) involves an appraiser who was in ND on a temporary practice permit, and 3) includes the issue whereby appraisal in question was involved in a judicial proceeding in District Court. The appraiser involved in the investigation was concerned that there was potential for the review by the ND Appraisal Board to affect or interfere with the pending litigation, and therefore, requested a delay until the case was finalized in Court. The Board, at the recommendation of legal counsel, granted the delay. Unfortunately, it was a year before the Court released a decision.

In light of discussions with our ASC policy managers, the Board understands that the issue of "pending litigation" does not fall under "special documented circumstances". *Accordingly, in future investigations that are found to be involved in judicial proceedings, the Board will not grant delays for the reason of pending litigation.*

In the past, it appears the enforcement process followed by the ND Appraisal Board has worked well and the timelessness of the process has not been an issue. However, the lack of reviewers, combined with the number of appraisals requiring review (the Board hires out-of-state reviewers for both upgrades, as well investigations), have added to the slower turn-around time.

*The Board strives to complete a thorough review of each investigation, but recognizes the importance of completing the investigation in a timely manner. To assist the Board in improving*

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*the timeliness of the investigative process, the Board will look to hire additional reviewers. In addition, the Board meets on a quarterly basis, but has agreed (and has the authority) to meet via conference if sufficient need is warranted. These changes should help improve the efficiency of the investigative process.*

The Board and its Staff appreciate the opportunity to work with the members of the ASC. If you have further questions or comments, please feel free to contact the Appraisal Board Office.

Sincerely,

ND Real Estate Appraiser  
Qualifications and Ethics Board

Jodfe R. Campbell  
Executive Secretary