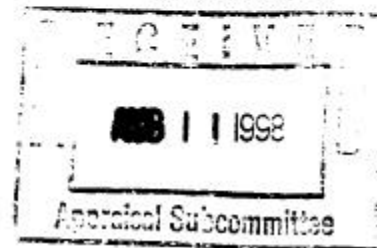




STATE OF IDAHO

BUREAU OF OCCUPATIONAL LICENSES

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August 7, 1998

Herbert S. Yolles, Chair
Appraisal Subcommittee
Suite 200
2100 Pennsylvania Avenue, NW
Washington DC

RE: ASC Review of Idaho Board; Letter of June 12, 1998

Dear Mr. Yolles:

This letter is in response to your recent audit of Idaho's appraisal program and letter of June 12, 1998. The Board reviewed your letter and asked that I respond. I would like to mention that we found the review process very thorough and appreciate some of the constructive comments and suggestions. The items raised in the review will be addressed in the same order as your letter.

1. The first issue raised was the complaint investigation and resolution time. The review mentions the number of cases outstanding and the lengthy time it takes to bring a case to settlement resolution or hearing. This problem has been of concern to our Board and the Bureau of Occupational Licenses for the past two years. The investigative resources of the Bureau of Occupational Licenses were limited by the number of investigators and personnel approved by the Legislature. We attempted to increase the investigators in 96- but the budget request was not approved by the legislature. The 97-98 legislature approved two (2) additional investigators, and we are working our way through the investigative backlog at this time. The addition of these two investigators will resolve this problem; it had been identified and corrective actions were undertaken.

2. The Board does use unpaid "Pro Reviewers", but their selection is not a strictly voluntary basis. Pro Reviewers have been selected based upon their experience, qualification, specialization, and stature in the profession. However, the Board does recognize this has largely been based upon unwritten policy, not a formalized system of applications and written guidelines. Guidance and communication with the Pro Reviewers has largely been through the Chief Investigator, and prosecutor from the Attorney General's office. This has been to preserve Board independence in the event of

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a *full* administrative hearing. This procedure has been adopted at the advice of our counsel to preserve Board objectivity in the event of an administrative hearing.

The Board is sensitive about your staff's observation for more guidance for Pro Reviewers and we are looking at several alternatives, including a board member as liaison. We are also studying a more formal system of Pro Reviewer applications, stipend or set fee for prompt review turn-around, and recent promotions within the Bureau will compliment these changes. We are committed to speedy prosecution of these matters, in an administrative framework that will withstand court review.

3. The Idaho regulations did provide, as a carry-over from some professional organizations, for educational credit for challenged exams. The Board recognized the problem that this was not compliant with the foundation, and had this change identified as one of several upcoming rule changes. It was discussed and passed by the Board at the very meeting your staff attended. Please consider this issue resolved. We have not been accepting any challenge credit. Credit for teaching will also be covered (deleted) in the rule changes.

The Board also has voted to suspend, and amend current rules which require degrees by July 1, 1998. These rules, adopted in hopes of raising qualifications for appraisers some years ago, have never been enforced because they would have just become effective July 1, 1998. Again, although well-intentioned, these rules became impediments to reciprocity and exceeded AQB standards. They are not being enforced, and will be amended to reflect AQB requirements. We are also undertaking a review of reciprocity issues in order to reach agreements with surrounding states. The changes above appear to resolve most all of the past issues that impeded *full* reciprocity.

4. Board regulations have limited temporary practice to four (4) months, but appraisers have been allowed more than one permit, and there has never been a problem with the duration of our permits to my knowledge. We do not feel our process is burdensome, but we are looking at possible amendments to change the time from four (4) months to "not to exceed six (6) months". We may also change the fees, but pursuant to recommended

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The Board also discussed at some length the comments and observations by the ASC staff as they relate to suggestions on disciplinary processes, and similar insights which we found quite helpful. We appreciate your very thorough review, and will see our regulations are changed through our legislative process to facilitate and resolve these matters.

A handwritten signature in black ink, appearing to read "Ed Morse". The signature is written in a cursive style with a large initial "E" and "M".

Ed Morse, Chair
Idaho Real Estate Appraiser Board