NORTH DAKOTA REAL ESTATE APPRAISER QUALIFICATIONS AND ETHICS BOARD

PO BOX 1336 - BISMARCK - NORTH DAKOTA 58502 PHONE: (701) 222-1051 / FAX: (701) 222-1051 E-mail: jodie@ndreab.com

March 30, 2006

Ms. Virginia M Gibbs, Chairperson Appraisal Subcommittee 2000 K Street, NW Suite 310 !ashington !C 20006

Dear Ms. Gibbs.

The North Dakota Real Estate Appraisal Qualifications and Ethics Board (the Board) has received your December 20, 2005, letter concerning the October 26-27, 2005 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 issued certified appraiser credentials supported by examination results that were more than two years old, which is inconsistent with AQB criteria:

North Dakota issued two individuals certified credentials in 2003, based on outdated examination results. These individuals have been informed of these findings and the need to retake the examination. The ASC will be notified as soon as each has successfully completed the appropriate examination.

ASC Finding: North Dakota's regulations regarding distance education do not conform to AQB criteria.

Staff has been instructed to move forward with making the necessary revisions to the Rules and Regulations to conform to the AQB criteria regarding distance education. The condition stating "The course is approved for college credit by the American Council on Education" will be removed from the current Rules and Regulations.

ASC Finding: Appraiser Credential and Continuing Education Cycles.

North Dakota amended its statute, whereby, all appraiser credentials expire annually on December 31. The Board is in the process of implementing revisions to reflect this statutory change. This transition should be completed by December 31, 2006.

The Board is also in the process of implementing a two-year continuing education cycles versus the current three-year continuing education. With the assistance of the ASC staff, the Board is moving forward with implementing this revision. A draft of any rule or statute change will be provided to the ASC for review and comment.

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,

North Dakota Real Estate Appraiser Qualifications and Ethics Board

Joseph J. Ibach Chairperson

Denise:

Per our telephone conversation, you indicated there were a couple of issues the Board did not address in its March 30, 2006 letter of response to the field review. Please consider this an addendum to that letter.

The North Dakota Appraisal Board has ceased issuing licensed and certified appraiser credentials supported by examination results that were more than two years old. A follow-up letter is being addressed to the two appraisers that were issued certified credentials based on outdated examination results. This letter will indicate that the Board will recall their existing certifications and overstamp their permits with "Not eligible to appraiser federally related transactions" if the appraiser has not provided verification of successfully completing the certification by May 20, 2006.

The Board is in the process of amending the Rules and Regulations to conform to the AQB interpretation regarding using the "certificate issuance date" to measure the end of the validity period for examination results versus the "application date".

Jodie R. Campbell
Executive Secretary
ND Real Estate Appraiser
Qualifications and Ethics Board