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Appraisal Subcommittee

Federal Financial Institutions Examination Council

August 21, 2008

Mr. Joseph Ibach, Chair
North Dakota Real Estate Appraiser
Qualifications and Ethics Board
P.O. Box 1336
Bismarck, ND 58502

Dear Mr. Ibach:

Thank you for your cooperation and your staff's assistance in the July 15-16, 2008 Appraisal Subcommittee ("ASC") review of North Dakota's real estate appraiser regulatory program ("Program"). As discussed below, the North Dakota Real Estate Appraiser Qualifications and Ethics Board ("Board") needs to address one concern to bring the Program into substantial compliance with Title XI of the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989, as amended, ("Title XI").

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

Some complaints were not investigated and resolved in a timely manner. ASC Policy Statement 10E provides that State agencies need to process complaints on a timely basis, and that, absent special documented circumstances, final State administrative decisions regarding complaints should occur within one year of the complaint filing date.

North Dakota had eight outstanding complaints, six of which had been outstanding for more than one year. Of the six aged complaints, three involved the same appraiser. We understand North Dakota used out-of-state review appraisers to conduct reviews of appraisal reports involved in enforcement cases. The Board and staff acknowledged that delays in resolving complaints are due in part to the time it takes to receive the review appraisers' reports. Occasionally, the Board has had concerns with a reviewer's report and had to obtain an alternate review.

In order to address this concern, the Board needs to develop and implement specific plans to reduce the backlog of outstanding complaints and process all complaints timely. Please provide the ASC a copy of those plans within 60 days of receiving our field review letter.

Until the expiration of that period or the receipt of your response, we consider this field review to be an open matter. After receiving your response or the expiration of the 60-day response period, whichever is earlier, this letter, your response and any other correspondence between you and the ASC regarding this field review become releasable to the public under the Freedom of Information Act and will be made available on our Web site.

Please contact us if you have further questions.

Sincerely,

Virginia M. Gibbs
Chairman

cc: Jodie Campbell, Executive Secretary