



STATE OF IDAHO

BUREAU OF OCCUPATIONAL LICENSES

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MAR 08 2007

March 5, 2007

Ben Henson
Executive Director
Appraisal Subcommittee
Federal Financial Institutions Examination Council
2000 K Street, N.W., Ste. 310

Re: Idaho Real Estate Appraiser Board

Dear Mr. Henson:

I write on behalf of the Idaho Real Estate Appraiser Board as its Chairman. The Board has reviewed your February 16, 2007 letter, and has also considered the input of Denise Graves based upon her follow-up field review which occurred on February 20-21, 2007. We recognize and understand your concerns with Idaho's real estate appraiser regulatory program. We are further committed to taking those steps necessary to resolve your concerns. In that regard, it was our desire to send this letter to advise you of recent additional steps the Board and the Idaho Bureau of Occupational Licenses ("Bureau") have undertaken.

Idaho's regulations allow for approval of continuing education courses that do not meet AQB criteria.

As you recognized in your letter, the Board's rules did allow a 15 hour national USPAP course to be equivalent to a seven hour national USPAP update course for continuing education purposes. However, as soon as the Board recognized this issue, as brought to our attention during your August 2006 field review, the Board revised its proposed administrative rules. These proposed rules were then submitted to the 2007 Idaho Legislature and have now been approved by the relevant committees of both the House of Representatives and Senate. These rules will then become effective upon adjournment of the Legislature which is anticipated at the end of March 2007. It is therefore our belief that this issue has now been resolved to your satisfaction.

Idaho does not report disciplinary actions to the ASC for inclusion on the National Registry.

Striving to exceed the expectations of those we serve.

As noted in your letter, Idaho had failed in the past to report disciplinary action to the ASC. This oversight has been corrected and Bureau staff is now clearly aware of the need to immediately report disciplinary actions taken by the Board after its meeting. It is our information from your letter that the Bureau staff has been promptly reporting disciplinary action to you. I might also mention that we report disciplinary action against Idaho licensees on the website maintained by the Idaho Real Estate Appraiser Board. Based upon the information in your letter that the Bureau staff is promptly reporting disciplinary action to you, we believe this matter has been resolved to your satisfaction.

The Board and the Bureau do not have a reliable means of verifying continuing education claims of appraisers applying to renew certified credentials.

The Board has taken a number of steps to improve its continuing education program and audit programs. The Bureau has committed to conducting an audit each month. The percentage of the audit will be based on the failure rate from the previous month, with no audit being less than 10 percent. Since our failure rate last month was 18%, we will audit that percentage on March 1. Further, the Bureau has changed its process to only audit licensees after they have renewed their credentials. The Board is further revising its renewal application to identify the specific continuing education hours required for renewal. Additionally, the Board is preparing a letter to all Idaho licensees which will clearly identify the continuing education requirements for renewal and the mandatory nature of those requirements. Further, the Bureau has established a point of contact for all continuing education and other real estate appraiser questions. This single point of contact should streamline the process for licensees to obtain relevant information to meet their licensure requirements and also provide a knowledgeable individual to help licensees ensure compliance. Finally, the Bureau has reviewed its process and found that the database does not allow us to audit an individual more than once during the same renewal cycle. If a person renews while being audited for the previous cycle, they automatically become eligible for audit again for the next cycle. By auditing continuing education licensees once each month, it is extremely remote that the same individual would be audited each year. Finally, the Board is committed to fairly and quickly processing and disciplining those licensees who have fraudulently claimed compliance with the continuing education requirements for renewal purposes.

Idaho's complaint investigation and resolution program does not comply with Title XI and ASC Policy Statement 10 because complaints are not investigated and resolved in a timely manner.

The Board clearly understands your concerns in this regard. Both the Board and the Bureau have been frustrated in their inability to investigate and resolve complaints in a more timely manner. Beyond those steps set forth in the Board's December 21, 2006 letter, the Board and the Bureau have taken further steps to comply with ASC Policy Statement 10. The Bureau has assigned one of its technical records specialists, Maria Brown, full-time to the Real Estate Appraiser Board. We believe her full-time status will assist the Board and Bureau in making the program more effective. The Bureau has also assigned one of its investigators, Cindy Rowland, full-time to investigate real estate appraiser complaints. Additionally, the Board has expanded and improved its pro reviewer program.

The Board has authorized the increase of fees payable to pro reviewers in an effort to attract more active reviewers. The list of pro reviewers has now expanded to over 20 individuals. Further, we are putting a process into place to remind pro-reviewers as deadlines approach. Hopefully, this will help ensure that reviews are done on a timely basis. Finally, the Governor's revised budget recommendation supports funding for two additional investigative staff positions and two additional clerical positions for the Bureau, to provide additional support. The supplemental budget request, for the state's fiscal year which began July 1, 2006, would allow the Bureau to fill the new investigator positions immediately upon the request's approval, rather than delay it until July 1, 2007.

Based upon the recent continuing education audits, the Board has experienced a large increase in the number of complaints this year. Of the 71 complaints received to date this fiscal year, 34 of those are related to continuing education compliance and should be resolved quickly. Further, the Board, the Bureau and the Idaho Attorney General's Office (which prosecutes on behalf of the Real Estate Appraiser Board) have begun to meet regularly to review the process. As of the date of this letter, the current number of unresolved complaints is 135 (30 CE audits), with those over a year comprising 49. With the exception of any administrative proceedings that may result, most of the CE audit matters and several of the other complaints should be resolved and closed within the next 30 days.

As stated, the Board recognizes your concerns and has committed to taking the necessary steps to resolve those concerns. We appreciate your help, suggestions and recommendations in this regard. We were encouraged by Ms. Graves' recognition of improvement during her recent visit and we appreciate her information on Best Practices. We will continue to provide you with updates on the progress, and look forward to your next field review. In the meantime, if we can answer any questions concerning these issues, please do not hesitate to contact us.

Sincerely,


Paul Morgan, Chair
Idaho Real Estate Appraiser Board

Cc: Denise Graves, ASC Appraisal Policy Manager
Steven L. Olsen, Idaho Office of the Attorney General
Tana Cory, Bureau Chief