



STATE OF IDAHO

BUREAU OF OCCUPATIONAL LICENSES

MAY 18 2007

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May 9, 2007

Mr. 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:

On behalf of the Idaho Real Estate Appraiser Board, I want to thank you for the letter sent April 13, 2007, in response to Idaho's follow-up review. The Board is providing this response in order to update you on its efforts related to the items outlined in your correspondence.

Issues identified in the April 13, 2007 letter:

Idaho's complaint 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.

Requested Actions:

- 1. Make substantial progress toward reducing the outstanding and aged complaint cases by the next field review in the fall of 2007.**

Update:

In its March 5, 2007 letter, the Board outlined steps being taken to investigate and resolve complaints in a timelier manner. It also noted, as of that date, the number of unresolved complaints was 135 (including 30 CE audits). Of those, 49 were over a year old. As of April 24, 2007, the number of unresolved complaints totaled 80 (including 4 CE audits). Of those, 51 were within the one-year time frame and 29 were over one year old. The Board meets again in June and anticipates closing several more cases during that meeting.

Due to large fluctuations in the results of the monthly continuing education audits and the ongoing receipt of new complaints, these numbers are fluid. The Board and the

Striving to exceed the expectations of those we serve

Bureau continue to be committed to this issue. In that regard, the Bureau recently established a committee to review its investigative and disciplinary processes.

Further, the Governor's revised budget recommendation was approved by the legislature. Two additional investigators were part of a supplemental request. The Bureau is currently in the process of filling those positions. The clerical positions were approved for the FY08 budget which begins July 1, 2007.

2. Continue providing an electronic copy of the complaint log quarterly to Denise Graves.

The Bureau continues to provide reports to Denise Graves on a quarterly basis. The last report was sent on February 16, 2007.

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

The Board and Bureau need to:

1. Implement the actions agreed to during the ASC follow-up review:

A. Publish on our website the names and sanctions of non-compliant appraisers.

The Bureau publishes all disciplinary actions on its website, with a link to the actual order. See http://ibol.idaho.gov/REA/General/REA_DISCIPLINARY_ACTION.htm

B. Distribute a letter to all appraisers, informing them of the continuing education requirements.

A letter was sent on March 20, 2007 to all appraisers informing them of the current continuing education requirements. A copy is attached.

C. Revise renewal applications to identify the specific continuing education hours required for renewal.

The renewal application was revised on March 26, 2007. A copy of the revised renewal form is attached.

D. Identify a single point of contact to streamline the process for appraisers to obtain relevant information and help to meet their renewal requirements.

Maria Brown, technical records specialist, has been identified as the single point of contact for appraisers.

E. Audit, at a minimum, 10% of renewing appraisers monthly.

The Bureau audited 18% of eligible licensees in both March and April.

2. Provide the ASC with quarterly reports summarizing the monthly continuing education audit results regarding certified appraisers.

A report summarizing the monthly continuing education audit results will be included with the complaint log sent to Denise Graves on a quarterly basis.

3. If, after six months, the State continues to experience audit failure rates exceeding 10%, the ASC will require the Board and Bureau to abandon the affidavit process.

As noted earlier, we have implemented rule changes and sent letters notifying appraisers of the current continuing education requirements. The Board understands that it can take time for a licensee to realize that changes have occurred. It is the Board's hope that we

will start to see the impact of these efforts shortly. If not, we will review how to better deal with this issue.

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

Update to Current Status:

Idaho revised and submitted proposed rules during the 2007 Legislative Session. The rules were approved and became effective on March 30, 2007, when the legislature adjourned. These rules are found at: <http://adm.idaho.gov/adminrules/rules/idapa24/1801.pdf>

Requested Actions: None.

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

Current Status:

Idaho corrected this oversight and now promptly reports disciplinary actions to the National Registry.

Requested Actions: None.

In addition to the items outlined above, we continue to look at Best Practices, and will be sending a Board Member to the AARO conference. Denise's guidance on all of these issues has been very helpful. Given the benefit we have gained from these suggestions, and our commitment to resolving the remaining concerns, we would like to ask that Denise Graves and Marc L. Weinberg meet with us within the next six weeks to provide further guidance. We would also like to discuss the measurement of "substantial progress" referenced in the April 13, 2007 letter, to clarify how ASC measures improvement. Please contact Tana Cory at the Bureau of Occupational Licenses to arrange an acceptable time for a meeting.

Again, we appreciate your response to our last letter. Please do not hesitate to contact us for any clarifications on this update.

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