



# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

December 14, 2011

Ms. Judy Zwanziger, Chair  
Iowa Real Estate Appraiser Examining Board  
1920 SE Hulsizer Road  
Ankeny, IA 50021-3941

RE: ASC Compliance Review of Iowa's appraiser regulatory program

Dear Ms. Zwanziger:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of Iowa's appraiser regulatory program (Program) on July 12 -14, 2011. This is the final ASC Compliance Review Report (Report) on that Review.

The ASC has considered the preliminary findings regarding the Review and the State's response. Although the attached Report references areas of concern, the ASC has determined the Program is in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

Please be advised this letter and the attached Report are public record and available on the ASC website in accordance with the Freedom of Information Act.

Please contact us if you have any questions.

Sincerely,

Deborah S. Merkle  
Chairman

Attachment

cc: Ms. Toni Bright, Executive Officer  
Ms. Shari Fett, Bureau Chief

## ASC Compliance Review Report

ASC Finding: In Substantial Compliance  
Final Report Issue Date: December 14, 2011

<b>Iowa Appraiser Regulatory Program (Program)</b>			
<b>Iowa Real Estate Appraiser Examining Board (Board) / Decision Making</b>	PM: V. Metcalf	ASC Compliance Review Date: July 12-14, 2011	Review Period: July 2009 - July 2011
Umbrella Agency: Iowa Division of Banking, Professional Licensing Bureau		Number of State Credentialed Appraisers on National Registry: 1125	Review Cycle: Two Years

Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
<b>Iowa Statutes, Regulations, Policies and Procedures:</b>			X					
States must adopt and/or implement all relevant AQB Real Property Appraiser Qualification Criteria. (Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria.)				<p>AQB Criteria defines distance education as education offered in a format where there is a geographic separation between the student and instructor. Specifically, video conferencing and other video type offerings, even if they are highly interactive, would fall under the synchronous distance education criteria and therefore require International Distance Education Course Certification (IDECC) approval of the delivery method.</p> <p>The Board's administrative rules in §193F-11.1 allow video conferencing but do not require IDECC approval. ASC staff did not find any inappropriately approved distance education courses of this type.</p>	On September 29, 2011 the Board reported to ASC staff that an amendment to the Iowa regulations was published and should be adopted by January 4, 2012.	None	To strengthen the Program, Iowa should continue the process of amending its regulations to reflect what is required in practice and in AQB Criteria.	<p>Upon adoption, please provide ASC staff with copies of these regulation changes.</p> <p>During the next Review, ASC staff will pay particular attention to this area for compliance with AQB Criteria.</p>

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**Iowa Appraiser Regulatory Program (Program)**

Iowa Real Estate Appraiser Examining Board (Board) / Decision Making

PM: V. Metcalf

ASC Compliance Review Date: July 12-14, 2011

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	YES	NO	AC					
<b>Temporary Practice:</b>			X					
States must recognize on a temporary basis appraiser credentials issued by another State if the property to be appraised is part of a federally related transaction. (Title XI § 1118 (a), 12 U.S.C. 3347; Title XI § 1122 (a), 12 U.S.C. 3351; AQB Real Property Appraiser Qualification Criteria; ASC Policy Statement 5.)				Iowa will not extend temporary practice to any person who has previously held an appraiser credential in Iowa. The Assistant Attorney General representing the Board explained that once someone has been issued a credential by Iowa, their status is considered either active or inactive. While Iowa appraisers may specifically request placement on inactive status, those failing to renew a credential are unofficially considered as being on inactive status. Should they wish to return for either a permanent credential or a temporary practice permit they must reinstate their prior credential. As required under AQB Criteria, reinstatement requires the applicant to demonstrate all continuing education that would have been required if he/she had remained active. ASC staff reviewed 20 temporary practice applications that were denied and the applicants were directed to reinstate a previously held credential even though they each held at least one active certification issued by another jurisdiction. This is contrary to the spirit of Title XI and ASC Policy Statement 5.	On September 29, 2011 the Board reported to ASC staff that an amendment to the Iowa regulations to provide temporary practice to individuals who had previously held an Iowa Credential has been published and should be adopted by January 4, 2012.	None	To strengthen the Program, Iowa should continue the process of amending its regulations to reflect what is required in Title XI and ASC Policy Statement 5.	Upon adoption, please provide ASC staff with copies of these regulation changes.  During the next Review, ASC staff will pay particular attention to this area for compliance with AQB Criteria.

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	YES	NO	AC					
<b>National Registry:</b>	X			No compliance issues noted.	N/A	None	None	None
<b>Application Process:</b>	X			No compliance issues noted.	N/A	None	None	None
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None	None
<b>Education:</b>	X			No compliance issues noted.	N/A	None	None	None
<b>Enforcement:</b>	X			No compliance issues noted.	N/A	None	None	None