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Appraisal Subcommittee

Federal Financial Institutions Examination Council

November 1, 2012

Ms. Jeanette Langford, Board Director
Real Estate Appraiser Licensure and Certification Board
Indiana Professional Licensing Agency
402 West Washington Street, Room W072
Indianapolis, IN 46204

Ms. Gabrielle J. Owens, Deputy Director
Licensing Enforcement & Homeowner Protection Unit
Indiana Office of the Attorney General
302 West Washington Street, 5th Floor
Indianapolis, IN 46204-2770

RE: Appraisal Subcommittee Staff Follow-Up Review

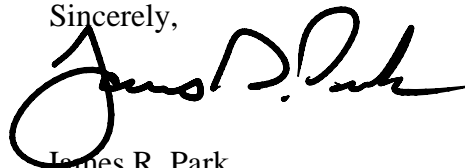
Dear Ms. Langford and Ms. Owens:

Thank you for your cooperation and your staff's assistance in the September 19, 2012 Appraisal Subcommittee (ASC) staff Follow-up Review. This was a Follow-up Review of the March 29-30 and June 8-9, 2011 ASC Compliance Review of the Indiana appraiser regulatory program.

As detailed in the attached Follow-up Report, Indiana resolved one of the three concerns identified in the March 29-30 and June 8-9, 2011 ASC Compliance Review Report. Indiana also made significant progress toward addressing the remaining concerns identified.

This letter and the attached Follow-up 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,



James R. Park
Executive Director

Attachment

cc: Mr. Wayne Johnson, Chairman

ASC Staff Follow-Up Report: 2011 Compliance Review

Indiana Appraiser Regulatory Program (Program)

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| Real Estate Appraiser Licensure and Certification Board (Board)/ Decision Making | Follow-Up Review Date: September 19, 2012 | Follow-Up Report Issue Date: November 1, 2012 |
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| Umbrella Agency: Indiana Professional Licensing Agency | ASC Compliance Review Date: March 29-30 and June 8-9, 2011 | PM: K. Klamet |
|---|---|----------------------|

| Requirement/Guidance | ASC Staff Assessment Compliance (YES/NO) Areas of Concern (AC) | | | Required/Recommended State Actions from the March 29-30 and June 8-9, 2011 Compliance Review | Status as of September 19, 2012 Follow-Up | Further Required Actions/Comments |
|---|--|----|----|---|---|--|
| | Yes | No | AC | | | |
| Indiana Statutes, Regulations, Policies and Procedures: | | | 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.) | | | | To strengthen the Program, Indiana should continue the process of amending its regulations to ensure compliance with the AQB Real Property Appraiser Qualification Criteria (AQB Criteria). | During the Follow-up Review on September 19, 2012, ASC staff was provided with a copy of the proposed regulation changes. Program staff indicated that the rules have been filed and are currently in the comment period. It is anticipated that a public hearing will be held in March 2013. | Further Required Actions: Program staff to provide revised regulations once adopted. Comments: None |

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|--|--|----|----|---|--|---|
| | Yes | No | AC | | | |
| Enforcement: | | X | | | | |
| States should resolve all complaints filed against appraisers within one year, except for special documented circumstances. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.) | | | | <p>Indiana must:</p> <p>(1) Within 60 days of receipt of this Report provide a written plan on how the Board and Office of the Indiana Attorney General (OAG) will revise its complaint process to address the State's significant backlog of outstanding complaints and facilitate more timely complaint dispositions in the future; and</p> <p>(2) continue to send quarterly complaint logs to ASC staff to allow monitoring of the Board's progress towards addressing this situation.</p> <p>The ASC Policy Manager assigned to the State will work with Board staff to determine the timing and content of the complaint log.</p> | <p>In order to facilitate timely complaint dispositions, the OAG reported in their written plan on July 17, 2012, that the OAG and the Board entered into a Consumer Complaint Protocol (Protocol). This agreement became effective June 1, 2012, and will remain in effect until the parties agree to alter the Protocol, legislative changes dictate a change in the Protocol, or the applicability of the Protocol becomes moot. The Protocol outlines in detail the complaint investigation and resolution process.</p> <p>The OAG has been providing a quarterly complaint log. As of July 1, 2012, Indiana had 69 outstanding complaints with 9 over 1 year old.</p> | <p>Further Required Actions: Continue to provide the quarterly complaint log.</p> <p>Comments: The Program Director and OAG representatives advised ASC staff during the Follow-up Review on September 19, 2012, that the adoption of the Protocol with the Board has been successful and now numerous other licensing agencies have entered into a similar agreement with the OAG.</p> |

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|--|--|----|----|---|---|--|
| | Yes | No | AC | | | |
| Enforcement continued: | X | | | | | |
| States must maintain relevant documentation to enable the ASC staff to understand the status of complaints filed. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.) | | | | Indiana must, within 60 days of receipt of this Report, provide a written plan to ASC staff on how the Board and OAG will ensure accurate documentation of complaints from receipt to final disposition. This plan must also identify who would be responsible for maintaining the log. | The OAG advised ASC staff in their written plan dated July 17, 2012, that they are now compiling monthly reports for the life of a consumer complaint from start to finish. During the Follow-up Review on September 19, 2012, ASC staff confirmed the reports adequately track the appraiser consumer complaints from receipt to final disposition. | Further Required Actions: None Comments: None |