

■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

September 16, 2014

Mr. Thomas Stevens, Board Chair
Board of Real Estate Appraisers
301 South Park Avenue, 4th Floor
Helena, MT 59620-0513

RE: Appraisal Subcommittee Staff Follow-Up Review

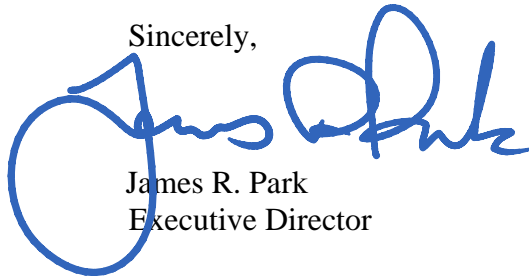
Dear Mr. Stevens:

Thank you for your cooperation and your staff's assistance in the August 25-26, 2014, Appraisal Subcommittee (ASC) staff Follow-up Review. This was a Follow-up Review of the September 24-26, 2013 ASC Compliance Review of the Montana appraiser regulatory program (Program).

As detailed in the attached Follow-up Report, Montana resolved two of the five areas of non-compliance identified in the September 24-26, 2013, Compliance Review Report. Montana also made progress in timely investigation of complaints.

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: Ms. Sharon Peterson, Executive Officer
Mr. Adam De Yong, Division Administrator

ASC Staff Follow-Up Report: 2013 Compliance Review

Montana Appraiser Regulatory Program (Program)

Montana Board of Real Estate Appraisers (Board) / Decision Making	Follow-Up Review Date: August 25-26, 2014	Follow-Up Report Issue Date: September 16, 2014
--	--	--

Umbrella Agency: Department of Labor Business Standards Division	ASC Compliance Review Date: September 24-26, 2013	PM: N. Fenochietti
---	--	---------------------------

Requirement/Guidance	ASC Staff Assessment Compliance (YES/NO) Areas of Concern (AC)			Required/Recommended State Actions from the January 14, 2014 Compliance Review	Status as of August 25-26 Follow-Up	Further Required Actions/Comments
	Yes	No	AC			
Montana Statutes, Regulations, Policies and Procedures:		X				
States must, at a minimum, adopt and/or implement all relevant AQB Criteria. (Title XI §§ 1116 (a), (c) and (e), 12 U.S.C. § 3345; Title XI § 1118 (a), 12 U.S.C. § 3347; ASC Policy Statement 1.)				Montana must amend its Rules to bring them into compliance with AQB Criteria, and provide the ASC staff with a copy of the final Rules once adopted.	The Department provided ASC staff with a copy of the proposed amendments to Montana Code 24.207.518.	Further Required Actions: Montana must continue the process to amend its rules to bring them into compliance with AQB Criteria, and provide the ASC staff with a copy of the final rules once adopted. Comments: None
Montana Statutes, Regulations, Policies and Procedures continued:		X				
States must, at a minimum, adopt and/or implement all relevant AQB Criteria. (Title XI §§ 1116 (a), (c) and (e), 12 U.S.C. § 3345; Title XI § 1118 (a), 12 U.S.C. § 3347; ASC Policy Statement 1.)				Montana must amend its Rules to bring them into compliance with AQB Criteria, and provide the ASC staff with a copy of the final Rules once adopted.	The Department provided ASC staff with a copy of the proposed amendments to Montana Code 24.207.509 and 24.207.517.	Further Required Actions: Montana must continue the process to amend its rules to bring them into compliance with AQB Criteria, and provide the ASC staff with a copy of the final rules once adopted. Comments: None
Application Process:	X					
Audits of affidavits for continuing education credit claimed must be completed within sixty days from the date the renewed credential is issued. (Title XI § 1118 (a), 12 U.S.C. § 3347; ASC Policy Statement 4.)				The Board must complete each continuing education audit within 60 days of the date the credential was issued.	The 2014 continuing education audit of 100% of the renewing credential holders was completed within 60 days of renewal.	Further Required Actions: None Comments: None

ASC Staff Follow-Up Report: 2013 Compliance Review

Montana Appraiser Regulatory Program (Program)

Montana Board of Real Estate Appraisers (Board) / Decision Making	Follow-Up Review Date: August 25-26, 2014	Follow-Up Report Issue Date: September 16, 2014
--	--	--

Umbrella Agency: Department of Labor Business Standards Division	ASC Compliance Review Date: September 24-26, 2013	PM: N. Fenochietti
---	--	---------------------------

Requirement/Guidance	ASC Staff Assessment Compliance (YES/NO) Areas of Concern (AC)			Required/Recommended State Actions from the January 14, 2014 Compliance Review	Status as of August 25-26 Follow-Up	Further Required Actions/Comments
	Yes	No	AC			
Education:	X					
States must ensure that appraiser education courses are consistent with AQB Criteria. (Title XI § 1118 (a), 12 U.S.C. § 3347; AQB Real Property Appraiser Qualification Criteria; ASC Policy Statement 6.)				The Board must ensure that all documentation to support course approval is available to ASC staff during their Compliance Review.	During the August 25-26, 2014 Follow-up Compliance Review ASC staff reviewed 25 course files. All files contained sufficient documentation to determine the courses were appropriate.	Further Required Actions: None Comments: None
Enforcement:		X				
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date, except for special documented circumstances. (Title XI § 1118 (a), 12 U.S.C. § 3347; ASC Policy Statement 7.)				Montana must monitor its complaint investigation procedures to ensure timely processing of complaints, to reduce the backlog of aged complaints and to ensure complaints of appraiser misconduct or wrongdoing are resolved in a timely manner as required by ASC Policy Statement 7.	Montana had 25 outstanding complaints of which 13 were outstanding for more than 1 year. Of the complaints outstanding for more than 1 year, 8 fall under the exception for special documented circumstances. The Department hired an Executive Officer on December 2, 2013. This allowed the Board's full-time investigator to dedicate more time to performing appraisal reviews and completing investigations. Since the September 24-26, 2013 Compliance Review 14 of the 16 complaints that were pending investigation for more than 1 year have been investigated. There are now 4 complaints pending investigation; of those 4, 2 are pending more than 1 year.	Further Required Actions: Montana must continue to monitor its complaint investigation procedures to ensure timely processing of complaints, to reduce the backlog of aged complaints, and to ensure complaints of appraiser misconduct or wrongdoing are resolved in a timely manner as required by ASC Policy Statement 7. Comments: None