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**Appraisal Subcommittee**  
*Federal Financial Institutions Examination Council*

March 15, 2017

Ms. Deanna Alexander, Board Director  
Indiana Real Estate Appraiser Licensure & Certification Board  
Indiana Professional Licensing Agency  
402 W. Washington Street, Room W072  
Indianapolis, IN 46204

Ms. Jennifer Williams, Supervising Deputy Attorney General  
Licensing, Enforcement & Homeowner Protection Unit  
Office of the Attorney General  
302 W. Washington Street, 5th Floor  
Indianapolis, IN 46204

RE: ASC Compliance Review of Indiana's Appraiser Regulatory Program

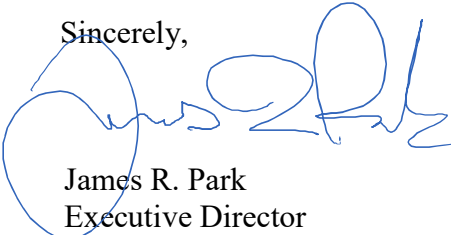
Dear Ms. Alexander and Ms. Williams:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Indiana appraiser regulatory program (Program) on January 10-12, 2017, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Program has been awarded an ASC Finding of "Good." An area of concern that was identified is being addressed by the Program. Indiana will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) is attached.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



James R. Park  
Executive Director

Attachment  
cc: Mr. Mark Ratterman, Board Chair

## ASC Finding Descriptions

| ASC Finding       | Rating Criteria   | Review Cycle*                     |
|-------------------|---|-----------------------------------|
| Excellent         | <ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>  | 2-year                            |
| Good              | <ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>  | 2-year                            |
| Needs Improvement | <ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>                                     | 2-year with additional monitoring |
| Not Satisfactory  | <ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul> | 1-year                            |
| Poor <sup>1</sup> | <ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>  | Continuous monitoring             |

\*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

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<sup>1</sup> An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.

## ASC Compliance Review Report

ASC Finding: Good  
Final Report Issue Date: March 15, 2017

|   |                    |   |
|---|--------------------|---|
| <b>Indiana Appraiser Regulatory Program (State)</b>                                   |                    |   |
| Indiana Real Estate Appraiser Licensure & Certification Board (Board)/Decision Making | PM: N. Fenochietti | ASC Compliance Review Date: January 10-12, 2017                     |
| Umbrella Agency: Indiana Professional Licensing Agency                                |                    | Review Period: February 2015 to January 2017                        |
|   |                    | Number of State Credentialed Appraisers on National Registry: 2,094 |
|   |                    | Review Cycle: Two Year  |

| Applicable Federal Citations  | Compliance (YES/NO)<br>Areas of Concern (AC) |    |    | ASC Staff Observations  | State Response   | Required/Recommended State Actions  | General Comments   |
|---|--|----|----|---|--|---|--|
|   | YES  | NO | AC |   |  |   |  |
| <b>Statutes, Regulations, Policies and Procedures:</b>  |  |    | X  |   |  |   |  |
| States must, at a minimum, adopt and/or implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.) |  |    |    | Credit may only be awarded for USPAP continuing education when the course is instructed by at least 1 AQB certified USPAP instructor who is also a State certified appraiser. 876 IAC 3-5-1.5 does not require that at least 1 of the AQB Certified instructors must also be a State certified appraiser. | On February 9, 2017, the State reported a Rule change has been drafted and is in the first stages of the rulemaking process. | The State should continue with the rulemaking process to bring the Rule into compliance with AQB Criteria and reflect what is done in practice. | Upon adoption, please provide ASC staff with copies of the adopted Rule. |
| <b>Temporary Practice:</b>  | X  |    |    |   |  |   |  |
|   |  |    |    | No compliance issues noted.   | N/A  | None  | None   |
| <b>National Registry:</b>   | X  |    |    |   |  |   |  |
|   |  |    |    | No compliance issues noted.   | N/A  | None  | None   |
| <b>Application Process:</b>   | X  |    |    |   |  |   |  |
|   |  |    |    | No compliance issues noted.   | N/A  | None  | None   |
| <b>Reciprocity:</b>   | X  |    |    |   |  |   |  |
|   |  |    |    | No compliance issues noted.   | N/A  | None  | None   |
| <b>Education:</b>   | X  |    |    |   |  |   |  |
|   |  |    |    | No compliance issues noted.   | N/A  | None  | None   |
| <b>Enforcement:</b>   | X  |    |    |   |  |   |  |
|   |  |    |    | No compliance issues noted.   | N/A  | None  | None   |