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Appraisal Subcommittee

Federal Financial Institutions Examination Council

September 14, 2001

Stanley Moe, Chairman
Idaho State Certified Real Estate
Appraisers Board
1109 Main Street, Suite 220
Boise, ID 83702

Dear Mr. Moe:

Thank you for your cooperation and your staff's assistance in the July 23-24, 2001 Appraisal Subcommittee ("ASC") review of Idaho's real estate appraiser regulatory program ("Program"). We are pleased to inform you that, based on our review, your Program functions effectively and, in most respects, in a manner consistent with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI"). However, two areas need your attention.

- **Idaho needs to continue improving the complaint investigation and resolution process, particularly the timeliness of certain complaint resolutions.**

We are pleased that the Bureau hired three additional investigators since our last review. We recognize that these additional resources helped reduce complaint investigation and resolution times. At the time of our review, Idaho had 76 open complaints, with 42 over one-year old. We recognize that three appraisers are named in 23 of the 42 older open complaints, and that these cases are currently with the Legal Department pending resolution. The Bureau and Board need to continue to focus on resolving all long-outstanding complaints. To enable us be informed of your progress, please provide us copies of your monthly complaint history report that Supervisory Investigator Kersey prepares for your meetings.

- **The Board and Bureau must ensure that they do not provide preferential treatment to Appraisal Foundation sponsors when considering educational offerings.**

The Board and Bureau grant blanket approval without review to courses offered by Appraisal Foundation sponsors, while courses offered by organizations that are not Foundation sponsors are reviewed on an individual basis. ASC Policy Statement 7 provides that State agencies should avoid discriminatory practices regarding appraiser educational course providers. It further provides that State agencies should ensure that all educational providers are afforded equal treatment in all respects.

Additionally, AQB Criteria require coursework for qualifying education credit to cover specific subjects and to total a specific amount of hours. Blanket course approvals based on the identity or nature of a course provider do not provide the necessary level of review to satisfy course quality and subject matter coverage. The Board and Bureau need to ensure that they do not provide preferential treatment or the appearance of preferential treatment to Appraisal Foundation sponsors when considering educational offerings.

Please respond to our findings and recommendations within 60 days from the date of this letter. Until the expiration of that period or the receipt of your response, we consider this field review to be an open matter. After receiving your response or the expiration of the 60-day response period, whichever is earlier, this letter, your response and any other correspondence between you and the ASC regarding this field review become releasable to the public under the Freedom of Information Act and will be made available on our Web site.

If you have any questions, please contact us.

Sincerely,

Thomas E. Watson, Jr.
Chairman

cc: Budd Hetrick, Deputy Bureau Chief