



Indiana Real Estate Appraiser Licensure and Certification Board

402 West Washington Street, Room W072
Indianapolis, Indiana 46204
Telephone: (317) 234-3046
Fax: (317) 233-4236
Website: www.PLA.IN.gov

Governor Mitchell E. Daniels, Jr.

October 20, 2005

Dear Director Henson:

In response to your letter dated October 5, 2005, the following will address the items you listed as concerns stemming from your 2005 review.

"Indiana's complaint investigation and resolution process does not comply with ASC Policy Statement 10."

Pursuant to IC 25-1-7-3, the complaint investigation and resolution process falls under the jurisdiction of the Indiana Attorney General who will respond separately to this inquiry.

"The Board does not process temporary practice permits in accordance with Title XI and ASC Policy Statement 5."

As acknowledged in your October 5, 2005 letter, the delay in a significant number of these applications results from applicants submitting the incorrect licensing fee. We have made changes on the application form to reflect the correct fee and are currently waiting for approval from the various state entities to use this document.

"(The Board) did not inform us whether you have ceased your practice of requiring temporary practitioners whose assignments take longer than six months to obtain and pay for a new temporary practice permit covering the same assignment."

We have ceased our practice of requiring temporary practitioners whose assignments take longer than six months to obtain and pay for a new temporary practice permit covering the same assignment.

In early 2006, a public hearing will be held to discuss amending our rules to extend the validity of a temporary practice permit from six months to one year. Below you can view the proposed rule change:

876 IAC 3-3-21 Permit for temporary practice

Authority: IC 25-34.1-3-8

Affected: IC 25-34.1

Sec. 21. (a) The board will recognize, on a temporary basis, the license or certificate of an appraiser issued by another state, provided the following:

- (1) The appraiser's business is of a temporary nature.
- (2) The appraiser registers with the board.
- (3) The license or certificate issued by the other state is appropriate for the type of property to be appraised.
- (4) The work in Indiana does not last longer than ~~six (6) months~~ twelve (12) months.

(b) An applicant must apply on a form provided by the board and pay a fee required by 876 IAC 3-2-7(b)(12).

(c) Each temporary license or certificate is limited to performing the appraisals or specialized services required by the contract for appraisal services.

(d) Temporary privileges expire upon completion of the work required by the assignment or specialized service or after ~~six (6) months~~ twelve (12) months, whichever

is earlier, and no more than three (3) different temporary licenses may be issued to an individual per calendar year.

(e) An applicant must consent to service of process in Indiana and may not advertise or represent themselves as an Indiana licensed or certified appraiser.

(f) An individual who has been denied either admission to an examination or a license by the board will not be eligible for a temporary permit for the level of licensure for which the individual was denied or greater level of license. However, regardless of this subsection, an individual who otherwise qualifies under this section shall be eligible for a permit for federally related transactions.

"Indiana accepts affidavits to support continuing education without a reliable means of validation, inconsistent with ASC Policy Statement 10 F."

In accordance with IC 25-1-4-3 (b), and ASC Policy Statement 10 F, the Board conducted a random audit of 10% of all appraiser licensees that resulted in alleged non-compliance of 34 licensees. This information was forwarded to the Indiana Attorney General's office on October 24, 2005.

Per your request, enclosed you will find the following:

1. A copy of the audit letter mailed to the licensees selected for auditing.
2. A spreadsheet of those licensees who were randomly selected for audit.
3. A copy of the letter to the Attorney General's office making a formal complaint of those allegedly in noncompliance.
4. A spreadsheet indicating licensees who allegedly violated 876 IAC 3-2-8, and/or IC 25-1-4-3.

IC 25-1-4-3 identifies licensees that allegedly received the audit letter from the Board, but failed to provide copies of certificates indicating their completion of continuing education. As stated in IC 25-1-4-3:

Sec. 3. (a) Notwithstanding any other law, a board that is specifically authorized or mandated to require continuing education as a condition to renew a registration, certification, or license must require a practitioner to comply with the following renewal requirements:

(2) The practitioner shall retain copies of certificates of completion for continuing education courses for three (3) years from the end of the licensing period for which the continuing education applied. The practitioner shall provide the board with copies of the certificates of completion upon the board's request for a compliance audit.

876 IAC 3-2-8 identifies licensees who allegedly failed to notify the Board of an address change resulting in their audit letter being returned undeliverable to the Board. As stated in 876 IAC 3-2-8:

All licenses and certificate holders shall notify the board in writing of each change of address or name under which the licensee conducts business, within ten (10) days of said change. The address shall be sufficiently descriptive to enable the board to correspond with and locate the licensee or certificate holder. (*Indiana Real Estate Commission; 876 IAC 3-2-8; filed Sep 24, 1992, 9:00 a.m.: 16 IR 737; readopted filed May 29, 2001, 10:00 a.m.: 24 IR 3238*)

Licensees who allegedly violated 876 IAC 3-2-8, also allegedly violated IC 25-1-4-3.

"Indiana does not submit disciplinary action data to the ASC for inclusion in the National Registry"

Our office will begin submitting disciplinary action data via electronic mail to the ASC for inclusion in the National Registry. The last date the Board submitted information to the National Registry was on October 25, 2005.

We are confident that you will find that the Board has taken the appropriate steps to rectify the problems that were identified during your 2005 review, and look forward to your visit in January 2006.

Sincerely,

Nicholas W. Rhoad
Director, Indiana Real Estate Appraiser Licensure and Certification Board

Cc: Frances L. Kelly, Executive Director, Indiana Professional Licensing Agency
Wade A. Lowhorn, Deputy Director, Indiana Professional Licensing Agency
Brian F. Conley, Chairman, Indiana Real Estate Appraiser Certification and Licensure Board
H. James Litten, Chairman, Indiana Real Estate Commission
Greg Zoeller, Deputy Attorney General, Chief Legal Counsel, Indiana Attorney General
Shelia O'Brien, Deputy Attorney General, Indiana Attorney General
Jim Schmidt, Deputy Attorney General, Indiana Attorney General
Jenny Tidwell, Appraisal Subcommittee