

### **North Dakota Real Estate Appraiser Board Investigative Process:**

The ND Appraiser Board regulates state apprentice, licensed and certified appraiser permittees. If a permittee is found by the Board to have violated the *Uniform Standards of Professional Appraisal Practice* established by the Appraisal Standards Board of the Appraisal Foundation for real estate appraisers, the Board has the authority to take disciplinary action against the offending permittee(s).

- An allegation(s) is (are) filed with the Board office and Staff assigns it a case number.
- A copy of the allegation(s) is (are) forwarded to the appraiser in question for a response to the allegation(s). The appraiser in question is given 20 days in which to provide a written response. Included as part of the response, the Board requests a true copy of the appraisal in question and supporting documentation (work file).
- The appraiser submits a response (appraisal and work file) to the Board office.
- The allegation(s) and response to the allegation(s) is (are) forwarded to a Board Investigator/Reviewer. The Investigator not only reviews the allegations and response to the allegations, but reviews the report to determine if the report is in compliance with USPAP. An Investigative Review Report is submitted to the Board. The Investigative Review Report includes a summary of the allegations/response, strengths, and weaknesses of the appraisal in question in question, and a recommended course of action to the Board.
- The Investigative Review Report is provided to the appraiser. The appraiser may provide a response to the issues (if any) noted in the Review Report.
- The Board Members and Legal Counsel are provided a copy of the allegation(s), appraiser's response to the allegations, Investigative Review Report, and appraiser's response to the Investigative Review (if provided) for consideration at a following Board meeting.
- The Case is placed on the agenda for consideration.
- The Board meets, and after review and discussion of all the information provided, makes a determination:
  - The Board may decide that further information is required prior to making a determination. "Further information" may include a request for:
    - 1) additional information pertaining to the allegation(s) and/or the investigation,
    - 2) review of additional work product completed by the appraiser to determine if there is a pattern of noncompliance, or
    - 3) request an independent review (which could include a field review) be completed.
  - The Board may determine there is sufficient evidence to support the allegation(s) and /or there is reasonable basis to believe that various provisions of USPAP, NDCC and/or ND Appraiser Rules have been violated and move to initiate a formal complaint. The Board typically seeks to try to informally resolve the matter and may move to offer a Settlement Agreement. *The goal of a settlement agreement is to educate and improve the appraiser's quality of work to USPAP compliance.*
  - The Board may determine there are issues, but the issues do not rise to the level of a complaint move to offer a Conditional Dismissal (Once the appraiser signs an offer of conditional dismissal and meets the requirements of that offer, the allegations are dismissed). *The goal of a conditional dismissal agreement is to educate and improve the appraiser's quality of work to USPAP compliance.*
- At any time throughout the process, and certainly when the proposed offer of settlement or any determination has made by the Board against the appraiser's permit, the appraiser(s) has (have) the right to obtain legal counsel to assist in the matter. Furthermore, the appraiser is advised that he/she is entitled to a hearing pursuant to NDCC ch 28-32.

- If the appraiser does not accept the offer of settlement, the Case typically goes to an Administrative Hearing.
- The party filing the allegations is informed of the Board's decision when:
  - 1) the Board has made the determination that the Case be dismissed.
  - 2) an offer of conditional dismissal has been made and both the appraiser and the Board have accepted the terms of the conditional dismissal.
  - 3) an offer of settlement has been made and both the appraiser and the Board have accepted the terms of the Settlement Agreement.
  - 4) the Case has been moved to Administrative Hearing.