

NORTH DAKOTA REAL ESTATE APPRAISER QUALIFICATIONS AND ETHICS BOARD

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NOTEWORTHY NEWS - APRIL 2015

Upcoming Board Meetings:

The ND Appraiser Board will be meeting 9:00 am Monday, April 13th at the Holiday Inn in Fargo.

I probably sound like a broken record - but again, I encourage all appraisers and interested parties subscribe to the Public Meeting Notices on the ND State Website. As a Subscriber you will automatically receive email notification as meetings are scheduled or cancelled, agendas added or any changes made to meetings such as date, time, location, etc. It is a great feature and very easy to subscribe to:

Go to the ND State Website at <http://nd.gov> - click on "Public Meeting Notices" (found on the right hand side) - Under "Quick Entity/Governing Body Search" click on "Real Estate Appraiser Board" (or whichever agency you are interested in receiving notice) - click on "Subscribe to Email Notifications" - provide your email address and hit "confirm".

The next quarterly meeting is scheduled for June 8 and will be held at the Holiday Inn Riverside in Minot.

All meetings (conference call meetings inclusive) are open to the public, with the exception of "Executive Sessions". Do consider attending a meeting.

2015 Legislation:

(HB 1100 amended NDCC 43-23-3 and passed both the House and Senate)

Following are excerpts from testimony provided before the Legislature explaining the amendments:

Reciprocity: Pursuant to Title XI, the Appraisal Subcommittee (ASC) monitors each State Appraiser Regulatory Program for compliance with Title XI, the Appraisal Qualifications Board (AQB) Real Property Appraiser Real Property Appraiser Qualifications Criteria, and the ASC Policy Statements. An on-site Compliance Review of each State is completed by the ASC at least every two years. This Review process involves analyzing statutes, regulations, policies, and procedures to determine the State Program's compliance with Title XI.

The Appraisal Subcommittee (ASC) conducted a Compliance Review of the ND Appraiser Board regulatory program in June of last year. The ND Program was awarded an ASC finding of "Good". However, relative to ND Statute (43-23.3), the ASC identified areas of noncompliance.

One of the main concerns in ND Statute noted by the ASC was language relating to reciprocity. The ASC recognized that the ND Appraiser Board currently practices an open-door reciprocity policy. However, the language in ND Statute relating to reciprocity did not appear to meet national requirements. Thus, the drafting of HB 1100.

Complaint versus Allegation: New language added to 43-23.3-22.3 reads: "A *signed or unsigned allegation from the public is not a complaint until the board determines there is reasonable cause to initiate a disciplinary proceeding against one or more applicants or permittees.*"

An issue relating to the word "complaint" was brought before the Board. Currently, an accusation filed against an appraiser is termed a "complaint". A "complaint" filed against an appraiser (even if fully reviewed, found to be without merit, and, ultimately, dismissed by the ND Appraiser Board) can have an unintended yet, significant impact(s) on the appraiser. Many appraisers carry errors and omission insurance. A "complaint" filed against an appraiser can impact the cost and even the availability of obtaining such insurance coverage.

In addition, Appraisal Management Companies (AMC) many times do not allow an appraiser to be placed or remain on the AMC's approved appraiser roster if a complaint (even if fully reviewed, found to be without merit, and, ultimately, dismissed by the ND Appraiser Board) has been filed against said appraiser.

Thus, under current language in ND Statute and in the eyes of the insurance company or AMC the appraiser is presumed to be guilty, despite the fact that the Board reached a conclusion that the appraiser was not guilty.

Under current practice, the ND Appraiser Board makes the determination as to whether a filed complaint actually has merit. If, in the determination of the ND Appraiser Board, such complaint has merit, it rises to the level of a formal complaint. It is then the ND Appraiser Board that files a formal complaint against the appraiser. Alternatively, if the ND Appraiser Board believes the complaint does not have merit, the ND Appraiser will not file a formal complaint against said appraiser and dismiss the complaint.

Under the new language, the ND Appraiser Board makes the determination as to whether a filed *allegation* has merit. If, in the determination of the ND Appraiser Board, such allegation has merit, it rises to the level of a complaint. It is then the ND Appraiser Board that files a complaint against the appraiser. Alternatively, if the ND Appraiser Board believes the allegation does not have merit, the ND Appraiser will not file a complaint against said appraiser and dismiss the allegation.

It is important to note, the Appraiser Board's current investigative and notification process do NOT change. If the Board determines an allegation is legitimate, it moves forward as a complaint. If the allegation is determined frivolous, it remains an allegation and is dismissed. Parties on both sides are notified of the Board's final determination.

By adding the new language any signed or unsigned accusation against an appraiser will be treated as an allegation rather than a complaint. This modification will provide for continued public protection as well as protection of an innocent appraiser.

National Registry:

The National Registry is a database consisting of all State Licensed, State Certified Residential and State Certified General Appraisers. It is intended to serve as an historical reference to every credential an appraiser holds or has ever held (with the exception of a trainee credential). Active and Inactive credentials are listed. Only State certified or licensed appraisers who are listed on this National Registry as having current valid certifications or licenses are authorized under Federal law to perform appraisals in connection with federally related transactions. Individuals with a trainee level credential will not appear on the National Registry because the trainee level is not federally recognized and the trainee is not able to independently appraise property for federally related transactions.

HELP WANTED: A second set of eyes to review YOUR licensure/certification information on the ASC National Registry.

Your licensure/certification information is imported to the Registry upon issuance of your permit. Thereafter, every renewal cycle the information is updated. *Unfortunately, I make errors. Please* take a few minutes to verify your credential information is current and correct. The National Registry can be found on the Appraisal Subcommittee website at <https://www.asc.gov>. If you note errors after reviewing your information, please notify the Appraisal Board office.

Current and correct information on the Registry is imperative, as other Agencies (such as HUD/FHA) rely on the National Registry as part of their application and renewal process to verify credentials.

Upcoming Board Sponsored Education:

The Board is working with Craig Steinley to bring in the following continuing education:

- Supervisory/Trainee course (required for all apprentice applicants and new supervisors)
- Underwriter Collateral course
(We hope to offer these within the next few months)

- Most Common USPAP Violations course (a continuation from the December 2014 course)
- 2016-2017 7-hour National USPAP Update
(These will be offered at the end of the year, once the new USPAP is available)