

Idaho Real Estate Appraiser Board

Board/Commission Members:

- Paul J. Morgan, Idaho Falls – Chair
- B. Jane McClaran, C.P.A., Boise – Public Member
- The Honorable Douglas D. Vollmer, Twin Falls
- Eric J. Brinton, Coeur d'Alene
- H. Scott Calhoun, Boise

Board/Commission Composition: The Board consists of five (5) members: one (1) real estate appraiser from the northern district consisting of the counties of Idaho, Lewis, Nez Perce, Clearwater, Latah, Benewah, Boundary, Shoshone, Kootenai and Bonner; one (1) real estate appraiser from the southeastern district consisting of the counties of Lemhi, Butte, Clark, Fremont, Jefferson, Madison, Teton, Bonneville, Bingham, Caribou, Bear Lake, Franklin, Oneida, Power and Bannock; one (1) real estate appraiser from the southwestern district consisting of the counties of Owyhee, Elmore, Ada, Canyon, Boise, Gem, Payette, Washington, Adams and Valley; one (1) real estate appraiser from the south central district consisting of the counties of Blaine, Camas, Cassia, Custer, Gooding, Jerome, Lincoln, Minidoka and Twin Falls; and one (1) public member. Board members serve a term of four (4) years. [Idaho Code § 54-4106](#).

Operating costs per licensee: \$251.55. This number represents the dollar amount required annually to serve each applicant or licensee based on the average number of licensees and the average expenditures since Fiscal Year 2014. This includes all administrative, fiscal, legal and investigative services.

Total number of current licensees in Idaho as of May 19, 2018: **817**.

For the Idaho Real Estate Appraiser Board, the **shortest time** from complete application to issuing a license was the **same day**. The **longest time** from complete application to issuing a license was **75 days**. The **average time** from complete application to issuing a license was **4.5 days**. Of all licenses, **62.9 percent** were issued the **same day**. The Board issued **132 licenses** from May 19, 2017 to May 19, 2018. (This time period included the origination of Appraisal Management Company registrations.)

Note: All Board meetings are subject to Idaho's Open Meeting Law. The law requires a minimum of five (5) calendar days' notice for regular meetings, and a forty-eight (48) hour notice for the agenda. Special meetings require twenty-four (24) hour meeting and agenda notice. [Idaho Code § 74-204](#).

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A. Index of Statute, Rule, and Policy Requirements for Licensure and Renewal

		Statute I.C. Title 54, Chapter 41	Rule IDAPA 24.18.01	*Policy	Application	Basis to Deny Issuance or Renewal	Fees
Appraisal Management Company	Issuance for Initial License	I.C. § 54-4124 I.C. § 54-4126 I.C. § 54-4127 I.C. § 54-4228	IDAPA 24.18.01.200.03 24.18.01.225	*	Application Surety Bond	I.C. § 54-4124 I.C. § 54-4126 I.C. § 54-4127 I.C. § 54-4128 I.C. § 54-4107	\$1,200 License Fee \$37 Background Check
	Renewal Requirements	I.C. § 54-4114 I.C. § 54-4116 I.C. § 54-4127 I.C. § 54-4228	N/A	*		I.C. § 54-4114 I.C. § 54-4116 I.C. § 54-4127 I.C. § 54-4128 I.C. § 54-4107 I.C. § 67-2614	\$1,200 Renewal Fee
Certified General Appraiser	Issuance for Initial License	I.C. § 54-4110	IDAPA 24.18.01.200.01 24.18.01.250 24.18.01.400	*	Application Experience Log Reciprocity Application	I.C. § 54-4110 I.C. § 54-4107	\$250 Application Fee \$140 License Fee
	Renewal Requirements	I.C. § 54-4114 I.C. § 54-4116	IDAPA 24.18.01.401	*		I.C. § 54-4114 I.C. § 54-4116 I.C. § 54-4107 I.C. § 67-2614	\$365 Renewal Fee

****All of the Board's requirements for licensure and renewal are in the statute or rule. The board does not have any requirements in policy.***

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		Statute I.C. Title 54, Chapter 41	Rule IDAPA 24.18.01	*Policy	Application	Basis to Deny Issuance or Renewal	Fees
Certified Residential Appraiser	Issuance for Initial License	I.C. § 54-4110	IDAPA 24.18.01.200.01 24.18.01.250 24.18.01.350	*	Application Experience Log Reciprocity Application	I.C. § 54-4110 I.C. § 54-4107	\$250 Application Fee \$140 License Fee
	Renewal Requirements	I.C. § 54-4114 I.C. § 54-4116	IDAPA 24.18.01.401	*		I.C. § 54-4114 I.C. § 54-4116 I.C. § 54-4107 I.C. § 67-2614	\$365 Renewal Fee
Licensed Residential Appraiser	Issuance for Initial License	I.C. § 54-4110	IDAPA 24.18.01.200.01 24.18.01.250 24.18.01.300	*	Application Experience Log Reciprocity Application	I.C. § 54-4110 I.C. § 54-4107	\$250 Application Fee \$140 License Fee
	Renewal Requirements	I.C. § 54-4114 I.C. § 54-4116	IDAPA 24.18.01.401	*		I.C. § 54-4114 I.C. § 54-4116 I.C. § 54-4107 I.C. § 67-2614	\$365 Renewal Fee

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		Statute I.C. Title 54, Chapter 41	Rule IDAPA 24.18.01	*Policy	Application	Basis to Deny Issuance or Renewal	Fees
Appraiser Trainee	Issuance for Initial License		IDAPA 24.18.01.200.03 24.18.01.275	*	Application	I.C. § 54-4107	\$250 Application Fee \$50 Registration Fee
	Renewal Requirements		IDAPA 24.18.01.275.04 24.18.01.275.03	*		I.C. § 54-4114 I.C. § 54-4116 I.C. § 54-4107 I.C. § 67-2614	
Temporary Certified General Appraiser	Issuance for Initial License	I.C. § 54-4115	IDAPA 24.18.01.500	*	Application	I.C. § 54-4107	\$100 Permit Fee
	Renewal Requirements		IDAPA 24.18.01.500.03	*		I.C. § 54-4107	
Temporary Certified Residential Appraiser	Issuance for Initial License	I.C. § 54-4115	IDAPA 24.18.01.500	*	Application	I.C. § 54-4107	\$100 Permit Fee
	Renewal Requirements		IDAPA 24.18.01.500.03	*		I.C. § 54-4107	

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		Statute I.C. Title 54, Chapter 41	Rule IDAPA 24.18.01	<i>*Policy</i>	Application	Basis to Deny Issuance or Renewal	Fees
Temporary Licensed Residential Appraiser	Issuance for Initial License	I.C. § 54-4115	IDAPA 24.18.01.500	*	Application	I.C. § 54-4107	\$100 Permit Fee
	Renewal Requirements		IDAPA 24.18.01.500.03	*		I.C. § 54-4107	

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B. Applications and Renewals Denied, May 19, 2017 – May 19, 2018

Refusal to Issue Initial License [Total Number: 1]

	Basis in Statute and/or Rule	Summary of Factual Basis
1	I.C. §§ 54-4107(1)(b) ; 54-4126(2)(a) ; 54-4126(3)(b) ; and 54-4133	Federal background checks are required for licensure. The applicant failed to disclose that one of its partners had a felony conviction. The company reapplied for licensure with a different configuration of partners and the license was issued.

Refusal to Renew License [Total Number: 0]

	Basis in Statute and/or Rule	Summary of Factual Basis
	None	

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C. Disciplinary Actions for the Last Five (5) Years**

The Idaho Real Estate Appraiser Board received **132 complaints** from Fiscal Year 2013 through May 19, 2018. During this time frame, **88 complaints were closed** by the Board with no disciplinary action; **36 resulted in disciplinary action**; **3 remained under investigation**; **1 was pending Legal review**; **1 was pending Board review**; and **3 were awaiting Board determination** for a final outcome.

***The detail provided below is only for disciplinary action closed between May 19, 2017 and May 19, 2018. Cases are not always closed within the same fiscal year they are opened, and sometimes multiple complaints are included in one disciplinary action. The Board's full [disciplinary action information](#) is available online.*

Case No.	Date of Final Action	Action Taken	Basis in Statute and/or Rule	Summary of Factual Basis
REA-2018-3	4/16/2018	Settlement Order	I.C. § 54-4116 IDAPA 24.18.401.02.d	Respondent failed to document continuing education required for renewal.
REA-2017-9	4/16/2018	Consent Order	I.C. §§ 54-4107(1)(d) and (e) ; IDAPA 24.18.01.700	Respondent failed to appropriately account for the water rights that went with the property in the appraisal report.
REA-2018-2	2/6/2018	Settlement Order	I.C. § 54-4116 ; IDAPA 24.18.01.401.02	Respondent failed to document continuing education required for renewal.
REA-2017-7	12/4/2017	Final Board Order	I.C. § 54-4107(1)(c)	Respondent failed to complete appraisals for which he had been paid.
REA-2017-6	10/23/2017	Consent Order	I.C. §§ 54-4107(1)(d) and (e) ; IDAPA 24.18.01.700	Respondent failed to use appropriate comparable sales, failed to provide relevant information to support his conclusion of site value, and failed to provide a statement summarizing his highest and best use analysis.

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Case No.	Date of Final Action	Action Taken	Basis in Statute and/or Rule	Summary of Factual Basis
REA-2018-1	8/7/2017	Settlement Order	I.C. § 54-4116 ; IDAPA 24.18.01.401.02	Respondent failed to document continuing education required for renewal.
REA-2017-3	8/7/2017	Consent Order	I.C. §§ 54-4107(1)(d) and (e) ; IDAPA 24.18.01.700	Respondent failed to include a land value in his report, failed to distinguish between an extraordinary assumption and a hypothetical condition, and failed to adequately explain his conclusions regarding the Income Approach and the property owner's then-current lease.
REA-2017-8	6/12/2017	Settlement Order	I.C. § 54-4116 ; IDAPA 24.18.01.401.02	Respondent failed to document continuing education required for renewal.

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D. Changes or Attempted Changes in the Last Five (5) Years to Eliminate Barriers to Entry

Law and Rule

Session	Legislation or Rule	Summary
2013	Docket No. 24-1801-1201	<p>These rule changes allow classroom hours to include online and virtual courses for pre-licensure and continuing education. The rule also clarifies the approval process for continuing education providers offering online courses.</p> <p>Impact: The changes confer a benefit to licensees and applicants by greatly expanding the availability of pre-licensure or continuing education courses required for licensure.</p>
2014	House Bill 347	<p>This legislation allows the Board to update its law to comply with a federal mandate regarding the fingerprint-based criminal history check of applicants.</p>
2014	Docket No. 24-1801-1301	<p>The Board amends its rules to comply with Appraiser Qualification Board (AQB) changes in federal law and regulation regarding state licensed or certified appraisers. In addition, a new rule is adopted to clarify appraisers' duties when testifying in a court proceeding.</p>
2016	House Bill 368	<p>This legislation amends the Board's definition of "appraisal" in the Idaho Real Estate Appraiser Act. The law change establishes that the Board's regulation only pertains to an estimate of value of real property, rather than opinions regarding the nature, quality, or utility of the property.</p> <p>Impact: This amendment is proposed in response to concerns regarding ambiguity of the existing definition of "appraisal." The Board felt the definition was too broad because it included services such as soil reports, energy audits, title reports, or home inspections, where no opinion of value is intended. This change limits the Board's regulation to opinions of value for real property.</p>

Law and Rule (continued)

Session	Legislation or Rule	Summary
2016	Docket No. 24-1801-1501	<p>These rule changes accomplish the following:</p> <ul style="list-style-type: none"> • Eliminates certain standards (which are incorporated by reference) that relate to personal property or business appraisals that are no longer regulated by the Real Estate Appraiser Act. • Deletes a definition of “Specialized Appraisal Services” no longer contained in the rules.
2016	Senate Bill 1318	<p>The legislature passed a bill to amend the Real Estate Appraisers Act to include the regulation of appraisal management companies in Idaho.</p>
2017	Docket No. 24-1801-1602	<p>This rulemaking implements the Idaho Appraisal Management Company Registration and Regulation Act passed during the 2016 Idaho Legislature in Senate Bill 1318. The rule changes accomplish the following:</p> <ul style="list-style-type: none"> • Defines “Appraisal Management Companies”, provides the requirements for their registration and renewals, and sets fees at \$1,200 for registration and renewal. • Clarifies that a resident trainee may hold a license for five years only. • Adds requirements for registered trainee supervisors. • Updates the qualification criteria of certified and licensed real estate appraisers to remove repetitive language.
2017	House Bill 119	<p>In 2016, the Legislature passed Senate Bill 1318, the Idaho Appraisal Management Company Registration and Regulation Act. This legislation places regulation of appraisal management companies within the Real Estate Appraiser Act. House Bill 119 allows the Board to collect fees from AMC registrants and pass them through to the appropriate federal agency or instrumentality according to federal rules. This is consistent with the collection and pass-through of fees for real estate appraisers.</p>
2017	Docket No. 24-1801-1601	<p>This rule updates the current version of the Uniform Standards of Professional Appraisal Practice (USPAP), which represents the generally accepted and recognized standards of appraisal practice in the United States.</p>

Law and Rule (continued)

Session	Legislation or Rule	Summary
2018	House Bill 459	<p>In 2016, the Legislature passed Senate Bill 1318, the Idaho Appraisal Management Company Registration and Regulation Act, which created oversight of Appraisal Management Companies (AMC) in Idaho. House Bill 459 aligns current law to reflect the language in Senate Bill 1318.</p> <p>Impact: This provides consistency between AMC appraisers and non-AMC appraisers regarding appraisal reviews.</p>
2018	Temporary/ Proposed Rule	<p>Recent changes made by the Appraisal Qualifications Board (AQB) to the minimum qualifications allow the Idaho Real Estate Appraiser Board to reduce barriers to obtaining an Idaho license.</p> <p>The Board proposed and the Governor approved a temporary rule, effective May 1, 2018, which reduces the qualifications for appraisers as follows:</p> <ul style="list-style-type: none"> • Removes the requirement for an Associate’s Degree and lowers the experience requirement for licensed residential real estate appraisers. • Adds alternative pathways to complete the education requirement and lowers the experience requirement for a certified residential real estate appraiser. • Shortens the time period to complete the requisite experience hours for a certified general real estate appraiser.

Additional Barriers Eliminated/Opportunities Provided

Date	Barriers/Opportunities	Summary
2017	Implemented Idaho Code for military service and added it to the Board's website	<p>I.C. § 67-2620 For military service members and veterans, the Board added to its website a link to a law that says the Board may accept military training and experience toward qualification for licensure. The law states that professional and occupational licensing boards may accept military education, training, and experience toward meeting the qualifications for a license, certification or registration. Boards may also expedite applications, including military spouse applications.</p> <p>I.C. § 67-2602A Additionally, if a licensee already holds an active Idaho license and is on active duty in the United States Armed Forces, that license will remain active without renewing it for six (6) months following discharge from active duty. The license shall remain in good standing without the necessity of renewal and during said period the same shall not be cancelled, suspended or revoked.</p>
2015	I.C. § 67-2614	<p>Sets the reinstatement fee to \$35 and eliminates the requirement that, in addition to the reinstatement fee, the licensee has to include payment of the license fees for all of the years the license has been expired. It also clarifies the continuing education required to reinstate.</p> <p>Impact: Those whose licenses expired within the last five (5) years had to pay licensure fees for each year they were expired. Anyone whose license had been expired for more than five (5) years would have to apply as a new applicant. This law change reduces barriers to reentry in two ways. For those whose licenses have been expired for less than five (5) years, it eliminates the requirement to pay licensure fees for each year the license was expired. For those whose licenses have been expired for more than five (5) years, it allows the Board to consider education, supervised practice, examination or practice in another jurisdiction in determining the person's competency.</p>

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Additional Barriers Eliminated/Opportunities Provided (continued)

Date	Barriers/Opportunities	Summary
1996	I.C. § 59-509	Legislation passed during the 1996 legislative session removes members of the Idaho Real Estate Appraiser Board from the Public Employee Retirement System of Idaho (PERSI) by changing the payment they receive from compensation to an honorarium under I.C. § 59-509 .

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E. Assessment of Public Interest

The Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council (FFIEC) was created on August 9, 1989, pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (Title XI). Title XI's purpose is to "provide that federal financial and public policy interests in real estate transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision."

Pursuant to Title XI, one of the ASC's core functions is to monitor the requirements established by the states for certification and licensing of appraisers qualified to perform appraisals in connection with federally related transactions. Title XI as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) expanded the ASC's core functions to include monitoring of the requirements established by states that register appraisal management companies (AMCs).

There are three federally-recognized appraiser classifications: (1) State Licensed; (2) State Certified Residential; and (3) State Certified General. The difference in the classification is determined by requirements for examination, education and experience required to obtain the credential. The federal Appraisal Qualifications Board Criteria sets forth the minimum requirements for each classification.

Appraisals of real estate serve many purposes, but the vast majority of appraisals are required for underwriting of mortgage lending. The ASC performs periodic Compliance Reviews of each state's Appraiser Program to determine compliance. If a state fails to maintain a compliant appraisal licensure system the Appraisal Sub-Committee has the authority to deem a state's system as non-compliant through a non-recognition process. This would severely affect the mortgage lending business in the state, as appraisals are required for lending.

- Appraisals are required by statute for Federally Related Transactions. This term is formally defined, but described as commercial loans and high value residential loans.
- Appraisals are required by federal law for FHA and VA loans.
- Appraisals are required by federal policy for Fannie Mae and Freddie Mac loans.

Idaho citizens have an interest in maintaining access to the various loan programs that require appraisals by licensed or certified appraisers administered by a state whose system is in compliance. The public also has an interest in sound appraisals as these programs are financially backed by the federal government, which is ultimately a liability of all citizens.

F. Recommendations for Improvement, Modification, or Elimination of Requirements

1. Recent changes made by the Appraisal Qualifications Board (AQB) to the minimum qualifications allow the Idaho Real Estate Appraiser Board to reduce barriers to obtaining an Idaho license. The Board is proposing a rule to the 2019 legislature which reduces the qualifications for appraisers as follows:
 - Removes the requirement for an Associate's Degree and lowers the experience requirement for licensed residential real estate appraisers.
 - Adds alternative pathways to complete the education requirement and lowers the experience requirement for a certified residential real estate appraiser.
 - Shortens the time period to complete the requisite experience hours for a certified general real estate appraiser.
2. Propose a fee reduction to the 2019 legislature.
3. Update the law to require licensees to provide a digital address, and to allow a digital address to be used for official notifications.

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Summary of Objectives

The Licensing Freedom Act asked that all of Idaho's professional licensing entities critically look at their processes, laws and rules. The goal is to document the elimination of barriers and make recommendations for future changes that improve, modify or eliminate laws and rules governing professional licensure. In response, the Idaho Real Estate Appraiser Board respectfully submits the above report and summarizes with a checklist to ensure all of the objectives were met:

- ✓ Objectives of Executive Order
 - ✓ Protect the public. (*I.C. § 54-4102*)
 - ✓ Portability of licensure. (*I.C. § 54-4115; IDAPA 24.18.01.450*)
 - ✓ Eliminate barriers to entry to work. (*See Section F*)
 - ✓ Do away with unnecessary regulation. (*Idaho does not impose additional regulation beyond meeting the minimum federal regulatory requirements*)
 - ✓ Modernize licensure and regulatory requirements. (*Board consistently updates laws and rules based on federal minimum standards and requirements*)
- ✓ Comprehensive Review - consider some of the issues raised in the background material, such as:
 - ✓ Telework – Idaho has recently passed laws related to telehealth but other occupations may be facing similar issues regarding telework. (*May provide electronic appraisal submissions*)
 - ✓ Distance/Online Learning/Testing – distance/online education and testing are increasingly available and may influence the resources that applicants or licensees can access to obtain education, continuing education or to test. (*IDAPA 24.18.01.401, online/virtual courses*)
 - ✓ Criminal History – What barriers or additional obstacles do applicants/licensees face who have a criminal conviction? Do our laws consider the relevance or proximity in time of a conviction to the individuals applying for licensure or for those currently in practice? (*I.C. § 54-4107*)
 - ✓ Early Examination – What can be addressed in the timing of processes to eliminate unnecessary delays? (*See Section F*)
 - ✓ CE Hardship – Is there an allowance for extenuating circumstances? (*IDAPA 24.18.01.401.06, exemptions*)
 - ✓ Temporary Permits – Are there opportunities to work while minimum requirements are being met? (*IDAPA 24.18.01.275, registered trainee real estate appraiser; IDAPA 24.18.01.500, temporary practice for appraisers transferring to Idaho or for a temporary assignment in Idaho*)