

August 8, 2025

Via Email

Jodie Campbell, Board Administrator
Real Estate Appraiser Qualifications and Ethics Board
PO Box 1336
Bismarck, ND 58502-1336
JCampbell@bis.midco.net

RE: ASC Compliance Review of North Dakota's Appraiser Regulatory Program

Dear Jodie Campbell:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the North Dakota appraiser regulatory program (Appraiser Program) on May 20-22, 2025, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.¹

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the North Dakota Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action;²
- States must ensure the accuracy of all data submitted to the Appraiser Registry;³
- States must ensure that appraiser education courses are consistent with AQB Criteria;⁴
- States must ensure the delivery mechanism for distance education courses offered by a non-academic provider, including secondary providers, has been approved by an AQB-approved organization providing approval of course design and delivery;⁵
- States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances;⁶ and
- States must track all complaints on a complaint log containing the required information.⁷

¹ 12 U.S.C. §§ 3331-3356.

² 12 U.S.C. § 3351; Policy Statement 2 B.

³ 12 U.S.C. § 3347; Policy Statement 3 A, D.

⁴ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 6 A.

⁵ 12 U.S.C. § 3347; Policy Statement 6 B.

⁶ 12 U.S.C. § 3347; Policy Statement 7 B.

⁷ 12 U.S.C. § 3347; Policy Statement 7 B.

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. North Dakota will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,

A handwritten signature in black ink, appearing to read 'Regene Frederique', with a long, sweeping horizontal line extending to the right.

Regene Frederique
Acting Executive Director

Attachment

cc: David Campbell, Board Administrator, DBCampbell@bis.midco.net

ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> State meets all Title XI mandates and complies with requirements of ASC Policy Statements State maintains a strong regulatory Program Very low risk of Program failure 	2-year
Good	<ul style="list-style-type: none"> State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements Deficiencies are minor in nature State is adequately addressing deficiencies identified and correcting them in the normal course of business State maintains an effective regulatory Program Low risk of Program failure 	2-year
Needs Improvement	<ul style="list-style-type: none"> State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies State regulatory Program needs improvement Moderate risk of Program failure 	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing State regulatory Program has substantial deficiencies Substantial risk of Program failure 	1-year
Poor**	<ul style="list-style-type: none"> State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies High risk of Program failure 	Continuous monitoring

*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

**An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.



ASC State Appraiser Program Compliance Review Report

ASC Finding: Good
Final Report Issue Date: August 8, 2025

North Dakota Appraiser Regulatory Program (State)							
North Dakota Real Estate Appraiser Qualifications and Ethics Board		PM: A. Nespor			ASC Compliance Review Date: May 20-22, 2025		Review Period: April 2023 to April 2025
Umbrella Agency: Independent				Number of State Credentialed Appraisers on Appraiser Registry: 299		Review Cycle: Two Year	
Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:	X						
				No compliance issues noted.	N/A	None	None
Temporary Practice:		X					
States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action. (12 U.S.C. § 3351; Policy Statement 2 B.)				During the review period, the State processed 248 temporary practice permits. The State failed to process 2 requests for temporary practice permits within 5 business days of receipt of a completed application.	On August 4, 2025, the State acknowledged the finding and stated that they will make every effort to process temporary permits within the 5 business days timeframe.	The State processed less than 1 percent of its temporary practice permits in more than 5 business days of receipt of application. The State must monitor the process to ensure temporary practice permits are issued within 5 business days of receipt of application.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry:		X					
States must ensure the accuracy of all data submitted to the Appraiser Registry. (12 U.S.C. § 3347; Policy Statement 3 A, D.)				The State failed to ensure accuracy of all data submitted to the National Registry. 5 appraisers with active State credentials were not reported as active on the National Registry.	On August 4, 2025, the State reported that this was an oversight and stated that they will make every effort to ensure that this does not occur in the future. In addition, the State reported that its notices of approval and renewal approval encourage appraisers to review credential information on the Registry to verify that the information imported is current and correct.	The State must monitor the process to ensure the accuracy of all data submitted to the Appraiser Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process:	X						
				No compliance issues noted.	N/A	None	None
Reciprocity:	X						
				No compliance issues noted.	N/A	None	None



ASC State Appraiser Program Compliance Review Report

ASC Finding: Good
Final Report Issue Date: August 8, 2025

North Dakota Appraiser Regulatory Program (State)							
North Dakota Real Estate Appraiser Qualifications and Ethics Board		PM: A. Nespor		ASC Compliance Review Date: May 20-22, 2025		Review Period: April 2023 to April 2025	
Umbrella Agency: Independent				Number of State Credentialed Appraisers on Appraiser Registry: 299		Review Cycle: Two Year	
Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Education:		X					
States must ensure that appraiser education courses are consistent with AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 6 A.)				The State approved 15-hour and 7-hour National USPAP courses without ensuring that the AQB Certified USPAP instructors were also State certified appraisers.	On August 4, 2025, the State reported that they have verified that the instructors for the previously approved 15-hour and 7-hour National USPAP courses are State certified appraisers and further stated that they will continue this verification process as part of the ongoing education approval process.	The State must monitor the results of its revised process to ensure all courses approved are compliant with AQB Criteria.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Education (continued):		X					
States must ensure the delivery mechanism for distance education courses offered by a non-academic provider, including secondary providers, has been approved by an AQB-approved organization providing approval of course design and delivery. (12 U.S.C. § 3347; Policy Statement 6 B.)				The State approved qualifying and continuing education course(s) with expiration dates that coincided with AQB's Course Approval Program expiration dates. However, the course delivery mechanism approval dates expired prior to the course approval expiration dates. Delivery mechanism approval must extend through the entire course approval term.	On August 4, 2025, the State reported that the language on its Course Approval Notice was revised to address the issue and that the notice now states that if the course has both AQB CAP approval and delivery method approval, the term of State course approval will align with the earliest approval end date of either AQB CAP approval or delivery method approval.	The State must ensure all course files contain sufficient documentation to ensure course approval expiration dates assigned by the State do not conflict with AQB delivery mechanism approval.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.



ASC State Appraiser Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: August 8, 2025

North Dakota Appraiser Regulatory Program (State)			
North Dakota Real Estate Appraiser Qualifications and Ethics Board	PM: A. Nespor	ASC Compliance Review Date: May 20-22, 2025	Review Period: April 2023 to April 2025
Umbrella Agency: Independent		Number of State Credentialed Appraisers on Appraiser Registry: 299	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Enforcement:		X					
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)				The State had 5 aged complaints, all of which were unresolved for more than 1 year without the exemption for special documented circumstances.	On August 4, 2025, the State acknowledged the importance of resolving allegations promptly. The State reported that they have struggled with finding qualified reviewers. To help address this issue, the State reported that they are in the process of filling a new position titled Review Operations Coordinator and are currently applying for an ASC grant to help support the development of a more streamlined review process.	States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Enforcement (continued):		X					
States must track all complaints on a complaint log containing the required information. (12 U.S.C. § 3347; Policy Statement 7 B.)				States must track complaints of alleged appraiser misconduct or wrongdoing using a complaint log. The State was unable to ensure all complaints were identified and monitored. Cases referred for litigation that had not reached final disposition were misidentified as closed with a disposition that was not in effect.	On August 4, 2025, the State reported that discussions of the complaint log format during previous Compliance Reviews led to confusion regarding which date should be reported as the Date Closed. The State further reported that the log format has been updated so that the Date Closed now corresponds with the date an agreement is signed and, for cases extending beyond the signing of an agreement, an additional column will record the date of final disposition by the administrative hearing agency, attorney general's office, or court of appeals.	The State must monitor its revised complaint management and documentation process procedures to ensure compliance.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.