



ASSOCIATION OF  
APPRAISER  
REGULATORY  
OFFICIALS



# IGNORANCE ISN'T BLISS: UNDERSTANDING AN INVESTIGATION BY A STATE APPRAISER REGULATORY BOARD OR AGENCY

## DETAILS

Friday, October 14, 2022  
8:00 AM - 12:00 PM

Westin Washington DC City Center  
1400 M Street NW  
Washington, DC

## OVERVIEW

AARO has partnered with the Appraisal Institute to offer a training course prior to the conference. Participants will dive into the seven steps used in the Enforcement Process. This course covers intake procedures, assessment, investigation, review, formal and informal hearings, final orders, and last but not least, compliance. The course was slightly modified for applicability to the appraiser regulator audience.



## POLICY STATEMENT 7

The focus will be on Policy Statement 7 with Section 3 and 4 of the course material being the primary emphasis.



## INSTRUCTORS

- Craig Steinley,  
2017-2018 President of AARO
- Joe Ibach,  
2021-2022 President of AARO

## REGISTRATION FEE

\$150 of which \$30 will be given to the Appraisal Institute for use of their course materials.



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# **Ignorance Isn't Bliss: Understanding an Investigation by a State Appraiser Regulatory Board or Agency**

**Note:** Parts 3 and 4 of the course focus on the requirements of the Appraisal Subcommittee's *Policy Statement 7 – State Agency Enforcement*.

## **Part 1 – Overview of the Appraiser Regulatory Structure**

Part 1 provides an overview of today's real estate appraiser regulatory structure, which was unlike any other when it was introduced and remains unusual to this day. Economic and legislative events of the 1980s led to the formal regulation of real estate appraisers. The structure that was created involves entities of the Federal government, state governments and those of the US territories and possessions, and the private sector. The three participating entities are the Appraisal Subcommittee, an agency of the Federal government, the State Appraiser Regulatory Agencies, and The Appraisal Foundation, a nonprofit organization whose sponsors are appraiser/appraisal-related organizations. Their individual roles in the process, as well as their interactions with the other two participating entities, are analyzed for the participants.

## **Part 2 – Understanding the Role of the State Appraiser Regulatory Agencies**

Part 2 delves into the general purposes for and structures of the State Appraiser Regulatory Agencies. The material examines the enabling legislation outlining the legal mechanisms required to implement an appraiser regulatory framework and the structures considered and ultimately chosen by the States. An extended table illustrates the composition and general requirements of the policy and decision-making Boards of the State Appraiser Regulatory Agencies. It is useful in highlighting the diverse oversight choices made by the States when FIRREA was enacted in 1989. Finally, the material highlights general responsibilities of the State Appraiser Regulatory Agencies and the typical requirements concerning the conduct of Board meetings and access to records.

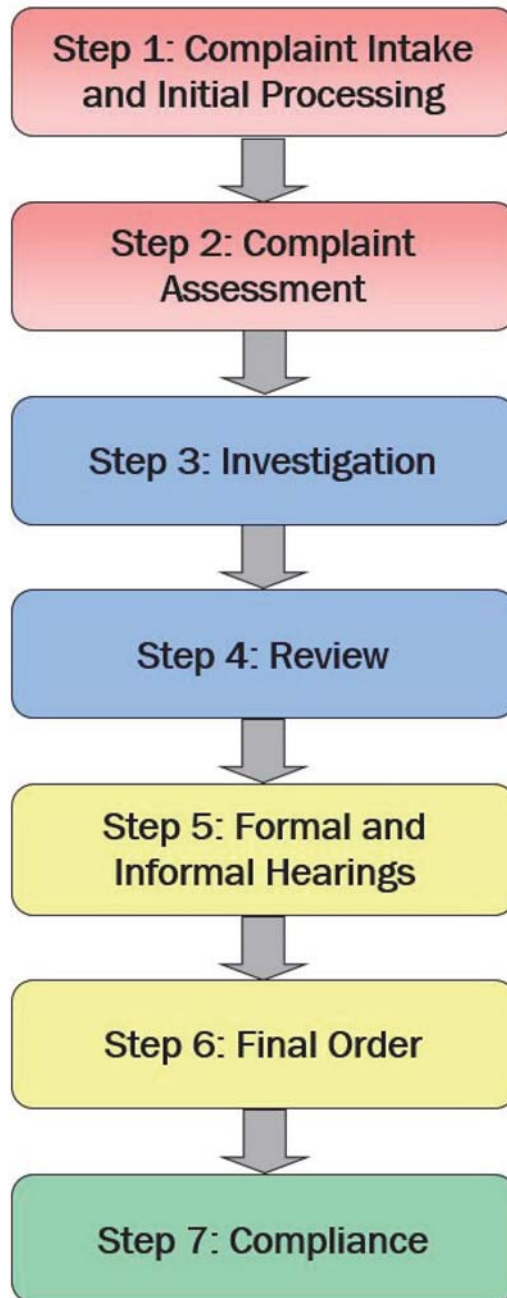
## **Part 3 – Complaints, Investigations, and Investigators**

Part 3 introduces the Enforcement Process, a seven-step general model for the way in which a State Appraiser Regulatory Agency processes a complaint received against a credentialed appraiser in the jurisdiction. The first three steps in the sequence, which is also called the Complaint Process, are Complaint Intake and Initial Processing, Complaint Assessment, and Investigation. They are analyzed in this part of the seminar, along with the related topics of the sources of appraiser complaints and the major allegations made in them, investigations, and investigators.

## **Part 4 – Settlements, Disciplinary Actions, Hearings, and Adjudication**

Part 4 continues the study of the Enforcement Process. Part 3 introduced this seven-step general model for the way in which a State Appraiser Regulatory Agency processes complaints against appraisers and presented the first three steps. This part examines the final four steps in the sequence—Review, Formal and Informal Hearings, Final Order, and Compliance. Also considered are the related topics of settlements, disciplinary actions, hearings, and adjudication.

## The Enforcement Process



# Suggested Schedule

## **SECTION 1. (Morning)**

<b>Sign-in</b>		
7:30–8:00	30 minutes	Sign-in
8:00–8:05	5 minutes	Introduction: Welcome, Materials, Classroom Guidelines, and General Information
<b>Part 1. An Overview of the Appraiser Regulatory Structure</b>		
8:05–8:10	5 minutes	Program Description, Learning Enhancements Learning Objectives Understanding Key Terms
8:10–8:20	10 minutes	In the Beginning... The Path to Regulation of Real Estate Appraisers The Savings & Loan Crisis The Financial Institutions Reform, Recovery, and Enforcement Act of 1989
8:20–8:25	5 minutes	Appraisers in the Real World—No. 1
8:25–8:45	20 minutes	Title XI of FIRREA Appraisal Subcommittee State Appraiser Regulatory Agencies The Appraisal Foundation
8:45–8:50	5 minutes	Amendments to Title XI of FIRREA by the Dodd-Frank Act of 2010 Appraisal Subcommittee State Appraiser Regulatory Agencies Conclusion to Part 1
<b>Part 2. Understanding the Role of the State Appraiser Regulatory Agencies</b>		
8:50–8:55	5 minutes	Learning Objectives Understanding Key Terms
8:55–9:00	5 minutes	The Purpose and Structure of a State Appraiser Regulatory Agency Creation of the State Appraiser Regulatory Agencies
9:00–9:10	10 minutes	Structure of the State Appraiser Regulatory Agencies
9:10–9:15	5 minutes	Appraisers in the Real World—No. 2
9:15–9:25	10 minutes	BREAK
9:25–9:35	10 minutes	Responsibilities of the State Appraiser Regulatory Agencies Policy and Discretionary Issues Legal Issues
9:35–9:40	5 minutes	Meetings of a State Appraiser Board Conclusion to Part 2

## INSTRUCTOR NOTES

<b>Part 3. Complaints, Investigations, and Investigators</b>		
9:40–9:45	5 minutes	Learning Objectives Understanding Key Terms An Overview of the Enforcement Process
9:45–9:55	10 minutes	Step 1: Complaint Intake and Initial Processing Sources of Complaints Against Appraisers Allegations Made in Complaints Against Appraisers
9:55–10:00	5 minutes	Appraisers in the Real World—No. 3
10:00–10:05	5 minutes	Anonymous Complaints
10:05–10:10	5 minutes	Appraisers in the Real World—No. 4
10:10–10:15	5 minutes	Appraisers in the Real World—No. 5
10:15–10:20	5 minutes	Various Labels or Names for a Complaint
10:20–10:25	5 minutes	Step 2: Complaint Assessment Possible Outcomes from Step 2
10:25–10:30	5 minutes	Appraisers in the Real World—No. 6
10:30–10:40	10 minutes	BREAK
10:40–10:45	5 minutes	Responding to a Formal Request from a State Appraiser Regulatory Agency General Comments Elements of an Effective Response An Organized and Complete Workfile Complaints and Errors & Omissions Insurance
10:45–10:50	5 minutes	Step 3: Investigation General Outline of an Investigation by a State Appraiser Regulatory Agency Staff Investigators Board Members Contract Peer Reviewers
10:50–10:55	5 minutes	Compliance with Title XI—Expanding the Investigation
10:55–11:00	5 minutes	Training for Investigators Conclusion to Part 3

**Part 4. Settlements, Hearings, Disciplinary Actions, and Adjudication**

11:00–11:05	5 minutes	Learning Objectives Understanding Key Terms
11:05–11:15	10 minutes	Step 4: Review Disciplinary Actions/Sanctions
11:15–11:25	10 minutes	Disciplinary Guidelines/Matrixes Midway to Upgrade Review Option
11:25–11:30	5 minutes	Appraisers in the Real World—No. 7
11:30–11:40	10 minutes	Step 5: Formal and Informal Review Informal Meetings with the Respondent Formal Hearing
11:40–11:45	5 minutes	Step 6: Final Order
11:45–11:50	5 minutes	Step 7: Compliance
11:50–11:55	5 minutes	Judging a State's Enforcement Process More about Policy Statement 7 Conclusion to Part 4
11:55–12:00	5 minutes	Final Wrap-Up, Evaluations, Questions