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Appraisal Subcommittee

Federal Financial Institutions Examination Council

July 8, 2014

Appraiser Qualifications Board
The Appraisal Foundation
1155 15th Street NW, Suite 1111
Washington, DC 20005

Re: Second Exposure Draft of a Proposed Revision to the 2015 *Real Property Appraiser Qualification Criteria*

Dear Chairman Miller:

ASC staff appreciates the opportunity to comment on the second exposure draft of proposed revisions to the 2015 *Real Property Appraiser Qualification Criteria* related to background checks. We support the AQB's reconsideration of this criteria and its efforts to provide States with greater flexibility in establishing administrative procedures to implement the criteria. We also commend the AQB on its decision to delay the effective date of this criteria to January 1, 2017.

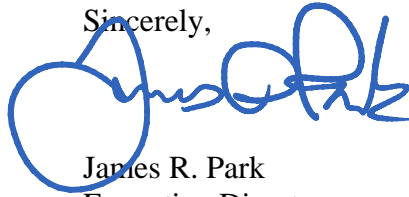
While our comments do not address the issue of legal authority to impose this criteria, which is integral to enforceability and incumbent upon the AQB to determine, ASC staff has several concerns:

1. Section VI. A states "...new applicants for a real property appraiser credential, who are not currently licensed or certified and in good standing in another jurisdiction, must undergo a State and national background check." The addition in VI. A of the language "...who are not currently licensed or certified and in good standing in another jurisdiction" implies that only applicants for initial/original credentials would be subject to this criteria. However, the AQB noted that a State may require background checks for upgrades, renewals, reinstatements, etc. While the language in VI. A and VI. B has been harmonized as noted in the Rationale section, further clarification as to the applicability of the criteria is needed.
2. The reference to "foreign court" in VI. B.2 causes confusion. "Foreign court" can take on different meanings. For example, it may be construed to mean truly foreign jurisdictions, or it may be construed to mean another State jurisdiction. Both are recognized as valid meanings of the terms "foreign court." A reference solely to "domestic courts" would leave it to the States to determine whether to impose a stricter standard.
3. ASC staff reiterates its concern with the list of factors in VI. B which make an individual ineligible for a real property appraiser credential. As an alternative, a minimum requirement precluding persons with a background containing evidence of moral turpitude, regardless of characterization, would provide States the opportunity to consider a broad range of issues not limited to felonies. If the AQB believes it necessary to list disqualifying criminal or civil events, it should provide rationale to support such a list.

4. The *de facto* lifetime bar in VI. B poses potential conflict for States required to consider rehabilitation in granting professional licenses. It is not clear whether the language in VI. B is intended to disallow States the ability to determine whether an applicant has demonstrated sufficient rehabilitation. If the AQB intends to preempt State laws that mandate consideration of rehabilitation, that position should be clearly stated with appropriate rationale.

In conclusion, ASC staff supports the improvements evidenced in the second exposure draft, but urges clarification in the areas mentioned. This will assist the States in developing laws, policies and practices necessary for the successful implementation of this criteria.

Sincerely,



James R. Park
Executive Director