

■ ■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

April 21, 2000

AQB Comments
The Appraisal Foundation
1029 Vermont Avenue, NW
Suite 900
Washington, DC 20005-7727

Dear Sir or Madam:

Thank you for the opportunity to comment on the Appraiser Qualifications Board's ("AQB") March 14, 2000 memorandum entitled, *Request for Comment: Mandating Improved and Consistent USPAP Instruction* ("memorandum"). The Appraisal Subcommittee ("ASC") shares your concerns about the lack of uniformity and quality in Uniform Standards of Professional Appraisal Practice ("USPAP") course materials and course instructors. We support your efforts to improve USPAP education, particularly in these areas. Effective USPAP education is fundamental to ensuring the proficiency of State certified or licensed real estate appraisers as required by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI").

The memorandum outlined the following possible approaches to improving USPAP education:

- The Real Property Appraiser Qualifications Criteria ("Criteria") would be revised to require applicants to take the Appraisal Standards Board's ("ASB") 15-Hour National USPAP Course, and you would require credentialed appraisers to take as continuing education the ASB's soon-to-be-released 7-Hour National USPAP Course. You might consider other USPAP courses as acceptable, provided the AQB deems them "equivalent" to the ASB courses;
- A Certified USPAP Instructor Program would be developed, requiring instructors to take a two-day USPAP course and pass a comprehensive examination. Certified instructors would have to attend USPAP update sessions periodically;
- The Criteria would be revised to require all USPAP classroom hours to be taught by Certified USPAP Instructors; and
- The Criteria would be revised to require a specific amount of periodic USPAP continuing education for State certified or licensed appraisers.

As noted above, effective and current USPAP education is fundamental to accomplishing Title XI's purposes. We strongly support your initiative and urge you to continue its development on a priority basis. We look forward to the next step in its development.

We have the following specific comments. First, the initiative's requirements appear to apply to all credential levels. While the AQB can establish minimum mandatory Criteria for State

certified appraisers, it only can recommend minimum Criteria for Licensed Real Estate Appraisers.

Second, we believe that to retain Certified USPAP Instructor status, USPAP instructors should take and pass examinations when there are major changes to USPAP.

Finally, we urge you to work closely with all interested segments of the appraisal community to ensure that their interests are considered in designing the specific elements of the initiative. Their cooperation in your efforts is critical to the initiative's success. In particular, the AQB should be sensitive to preserving as much as possible competition in the educational provider marketplace and among instructors. Participation standards and any AQB-charged fees need to be reasonable. More specifically, fees to education providers for course materials or instructor certifications should be cost based and not burdensome. The AQB, in particular, should consider the effects of its initiative on small education providers. These providers, among other things, provide educational services to remote parts of the United States and its territories.

Thank you again for the opportunity to comment. Please contact us if you have any questions.

Sincerely,

Thomas E. Watson, Jr.
Chairman