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Appraisal Subcommittee

Federal Financial Institutions Examination Council

March 5, 2001

Appraisal Standards Board
The Appraisal Foundation
1029 Vermont Ave., NW, Suite 900
Washington, DC 20005-3517

Dear Appraisal Standards Board:

The Appraisal Subcommittee (“ASC”) staff is pleased to provide comments regarding your Exposure Draft of proposed changes to the 2001 Edition of the Uniform Standards of Professional Appraisal Practice (“USPAP”).

We agree with the proposed changes for the most part. The modifications of the confidentiality definitions were necessitated by the Gramm-Leach-Bliley Act and the Federal Trade Commission’s (“FTC”) implementing regulation. As the understanding of confidentiality develops, it is important that the ASB continue to consider and support public policy and ensure that USPAP not present conflicts. Based on the Gramm-Leach-Bliley Act, the consumer has the right to expect that all personal information will be treated confidentially. The appraiser must be held responsible for ensuring that each financial institution has waivers and must not assume that such waivers exist. USPAP should make clear that it is the appraiser’s responsibility to comply with applicable Federal and State statutes and regulations.

One provision in the proposed “Confidentiality Section of Ethics Rule” needs attention. This provision, in pertinent part, states, “An appraiser must not disclose confidential information or assignment results prepared for a client to anyone other than the client and...a duly authorized professional peer review committee.” We find no support in either the Gramm-Leach-Bliley Act or the FTC’s implementing regulation to permit an appraiser to disclose information subject to the Act and regulation to a professional peer review committee. This provision needs to be removed from USPAP.

We appreciate the opportunity to provide comments regarding this issue. If you have any questions regarding our comments, please let me know.

Sincerely,

Ben Henson
Executive Director