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Appraisal Subcommittee

Federal Financial Institutions Examination Council

December 17, 2004

Appraisal Institute
American Society of Appraisers
American Society of Farm Managers and Rural Appraisers

Dear Associations:

This letter responds to your November 1, 2004 letter in which you requested clarification regarding two issues.

First, you stated that “for an undetermined period of time, the Social Security Numbers [of appraisers on the National Registry] were accessible through the Registry.”

The incident to which you refer resulted from a programming error. The error occurred during Web site updates programmed on a weekend. We identified the error and corrected it the following Tuesday morning. During this two to three day period, under very limited circumstances, an appraiser’s social security number could have been revealed to unauthorized individuals. The numbers were accessible only through certain queries and only when the user opted to download the query results as a computer file and view the resulting Excel or Word file on a local computer. The numbers never were displayed on computer screens. Based on our Web site statistics, the vast majority of queries against our National Registry database are viewed online; *i.e.*, very few are downloaded in Excel or Word format. Given these statistics and considering the fact that the error existed for only two to three days, part of which was during a weekend, it is very likely that the incidence of unintended disclosure was extremely small. We have discussed the incident with our programmers and have instituted additional safeguards to ensure that such an event does not recur.

Second, you discussed an issue involving Puerto Rico’s appraiser regulatory program and certain appraisers’ conformance with Appraiser Qualifications Board (“AQB”) criteria. This issue is a regulatory oversight matter between the ASC and Puerto Rico. We do not discuss our oversight activities regarding a specific jurisdiction with anyone other than that jurisdiction. We can report, however, that we met with representatives of Puerto Rico’s program this week, and that resolution is underway.

If you have any questions, please let us know.

Sincerely,

Ben Henson
Executive Director