

□ □ □ □ □ □

Appraisal Subcommittee

Federal Financial Institutions Examination Council

December 28, 2004

Mr. Stephen Turner
Chairperson, Alaska Certified Real Estate Appraisers Board
Department of Commerce and Economic Development
P.O. Box 110806
Juneau, Alaska 99811-0806

Dear Mr. Turner:

Thank you for your November 30, 2004 letter in which you requested clarification regarding the consequences of Alaska not adopting the Appraiser Qualifications Board (“AQB”) criteria changes that will be effective on January 1, 2008.

While States are not required by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, (“Title XI”) to conform to the AQB’s minimum criteria for licensure, Title XI requires them to adopt the AQB’s minimum qualifications criteria for certified residential and certified general real estate appraisers. Therefore, Federal law requires Alaska to implement and enforce the AQB’s January 1, 2008 criteria changes for certified appraisers by that date.

Should Alaska not adopt these changes, Alaska would not conform to Title XI. The Appraisal Subcommittee (“ASC”) is authorized under § 1118 of Title XI, 12 U.S.C. 3347, to initiate a non-recognition proceeding against a State appraiser regulatory agency, *i.e.*, the Alaska Certified Real Estate Appraisers Board and/or the Department of Commerce and Economic Development, for the failure, among other things: (1) to recognize and enforce the standards, requirements, and procedures prescribed by Title XI; and (2) to make decisions concerning appraisal standards, appraiser qualifications, and supervision of appraiser practices in a manner that carries out the purposes of Title XI. If the ASC were to make such a written finding and issue a non-recognition order, all federally insured financial institutions, Fannie Mae, FreddieMac, and the Federal Housing Administration of the U.S. Department of Housing and Urban Development no longer would be able accept appraisals performed by Alaska certified residential or certified general appraisers. In short, Alaska certified real estate appraisers no longer could perform appraisals in connection with federally related transactions. As a result, Alaska’s real estate market would be severely affected.

For your information, we have sent Division Director Rick Urion a package of information that included the AQB criteria. Policy Manager Vicki Ledbetter will contact Mr. Urion early next month.

Please contact us if you have further questions.

Sincerely,

Ben Henson
Executive Director

cc: Wanda Fleming, Licensing Examiner
Rick Urion, Director