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Appraisal Subcommittee

Federal Financial Institutions Examination Council

June 9, 2003

Mr. Lorren L. Perdue
P.O. Box 42
Montgomery AL 36101-0042

Dear Mr. Perdue:

Thank you for your May 10, 2003 letter updating us about your March 24, 2003 “Memo” and your attached letter to Danny Wiley, Chairman of the Appraisal Foundation’s Appraisal Standards Board. In connection with your views regarding the Appraisal Foundation, we respectfully refer you to the discussion of “Issue 1” in the June 11, 2002 opinion of the Legal Advisory Group. We attached that opinion to our April 11, 2003 response to you.

In addition, since our April response, the General Accounting Office issued a report, *Opportunities to Enhance Oversight of the Real Estate Appraisal Industry* (GAO-03-404), culminating more than one year of investigation into the appraiser regulatory framework created by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended. You may obtain a copy of that report at <http://www.gao.gov/new.items/d03404.pdf> - 1839.9KB - *GAO Reports*. In the report, GAO specifically discussed the Appraisal Foundation’s authority to set certain appraisal standards and qualifications. GAO cited the Legal Advisory Group’s opinion and attached it to the report. GAO did not report any abuses of its legal authority by either board of the Appraisal Foundation.

As noted in our previous letter, we will consider your views in connection with our Foundation oversight program.

Sincerely,

Ben Henson
Executive Director