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Appraisal Subcommittee

Federal Financial Institutions Examination Council

December 22, 2003

Mr. {DELETED}

[DELETED ADDRESS]

Dear Mr. [DELETED]:

Thank you for your December 13, 2003 letter regarding your concerns about the examination for what you refer to as the “Appraisal Standards and Ethics” class. From reading the attachments to your letter, it appears that you are referring to the Appraisal Foundation’s *15-hour National Uniform Standards of Professional Appraisal Practice (“USPAP”) Course* (“USPAP Course”) and corresponding examination.

In summary, you state that you [DELETED] request that the examination be “removed” and that certificates of completion be issued to all students who have taken the course and examination. Also, you wish the Appraisal Subcommittee (“ASC”) to persuade the Appraisal Foundation to “correct their direction.”

Regarding the Appraisal Foundation, please note that the Foundation is authorized under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, (“Title XI”) to develop courses such as the USPAP Course. As Governor Ehrlich noted in his December 10, 2003 letter to you, the ASC is authorized to monitor the activities of the Appraisal Foundation, including its courses and examinations. We, however, do not “approve” courses or examinations. We monitor the Foundation’s programs and projects to ensure that they are reasonable and that any Federal funds paying for those programs and projects are well spent. Over the years, we have monitored the Foundation’s procedures and determinations regarding the creation and adoption of the USPAP Course and its examination. Those procedures and determinations have been well reasoned and were exposed to public comment. We do not believe that the Foundation has engaged in any acts or omissions in that process that could be characterized as arbitrary, capricious, or otherwise inconsistent with law. Consequently, there is no basis for the ASC to direct the Foundation to make any changes regarding the USPAP Course or the associated examination.

Please be advised that the Maryland State law, not Federal law, requires appraiser trainees and licensed appraisers to take and pass the USPAP Course. Federal law governs certified appraisers, but leaves the requirements for trainees and licensed appraisers to the State. As a result, questions regarding your license-level appraiser credential might be better addressed at the State level. In that regard, you may wish to contact the Maryland Commission of Real Estate Appraisers & Home Inspectors, 500 N. Calvert Street, Room 302, Baltimore, Maryland 21202, at (410) 230-6165.

Sincerely,

Ben Henson
Executive Director

cc: The Appraisal Foundation
The Honorable Governor Robert Ehrlich
Senator Barbara A. Mikulski
Maryland Commission of Real Estate Appraisers & Home Inspectors