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Appraisal Subcommittee

Federal Financial Institutions Examination Council

June 30, 2006

Anthony F. Majewski, Acting Director
Office of Real Estate Appraisers
1102 Q Street, Suite 4100
Sacramento, CA 95814

Dear Mr. Majewski:

Thank you for providing for our review a copy of the Office of Real Estate Appraisers' ("OREA") June 13, 2006 Notice of Modifications to Text of Proposed Regulations. We have reviewed the Notice and have no comments regarding the proposed modifications.

While we have no specific comment on the proposed modifications, we must note that Article 4. Section 3563 (b) (2) and (3) could allow tax assessors to obtain experience credit by the use of an affidavit. First, ASC Policy Statement 10. F. 2., which became effective January 1, 2005, prohibits States from accepting experience-related affidavits from applicants for certification. States must require documentation to support the full experience hours required for certification.

Next, please remember that the *current* version of the Appraiser Qualifications Board certification criteria ("AQB criteria) states that the verification of experience claimed must be on forms prescribed by the credentialing State agency, which should include: type of property, date of report, address of appraised property, description of work performed, and number of work hours. Moreover, mass appraisal experience should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standard 1. And, experience documentation in the form of reports or file memoranda should be available to support the experience claimed.

Finally, please keep in mind that the corresponding provisions of the 2008 AQB criteria, have been tightened up. The new criteria state that qualitative experience requirements *must* be satisfied by time spent on the appraisal process, with that process being: analyzing factors that affect value, defining the problem, gathering and analyzing data, applying the appropriate analysis and methodology, and arriving at an opinion and correctly reporting the opinion in compliance with USPAP. Acceptable real property appraisal practice for experience includes mass appraisal, and that experience *must* be USPAP compliant, conforming to USPAP Standards 1, 2, 3, 4, and/or 6, where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), and reporting conclusions. State agencies *must* verify experience credit on forms that *require*, among other things, the type of property, date of report, address of appraised property, description of work performed, and number of actual hours spent on the assignment. Finally, experience claims *must* be supported by reports, certifications, or file memoranda, or, if they are unavailable for good cause, other evidence as determined by the credentialing State agency that the work was compliant with USPAP.

Please contact us if you have any questions.

Sincerely,

Ben Henson
Executive Director