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Appraisal Subcommittee

Federal Financial Institutions Examination Council

March 29, 2004

{DELETION}

Dear Mr. {DELETION}:

Thank you for your March 3, 2004 letter regarding your concerns about lenders not hiring State credentialed real estate appraisers because they do not have a certain designation awarded by a specific real estate appraiser professional organization.

You are correct that Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, (“Title XI”) speaks to this practice by lenders. Section 1122(d) states that the “[c]riteria established by the Federal financial institutions regulatory agencies, the Federal National Mortgage Association, [and] the Federal Home Loan Mortgage Association . . . for appraiser classifications in addition to State certification or licensing shall not exclude a certified or licensed appraiser for consideration for an assignment solely by virtue of membership or lack of membership in any particular appraisal organization.” 12 U.S.C. 3351(d).

The Appraisal Subcommittee, however, is not authorized under Federal law to regulate federally insured financial institutions. Each Federal financial institutions regulatory agency, *i.e.*, the Federal Deposit Insurance Corporation, Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, Office of Thrift Supervision, and the National Credit Union Administration, has adopted regulations respecting § 1122(d). You may wish to contact the Federal financial institutions regulatory agency that regulates the lender or lenders that you believe have violated that section.

Please contact us if you have further questions.

Sincerely,

Ben Henson
Executive Director