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Appraisal Subcommittee

Federal Financial Institutions Examination Council

VIA FACSIMILE

November 8, 1999

Stewart A. Leach, Program Administrator
Colorado Board of Real Estate Appraisers
1900 Grant Street, Suite 600
Denver, Colorado 80203

Dear Mr. Leach:

Thank you for providing us with copies of the Colorado Board of Real Estate Appraisers' ("Board") Notices of Proposed Rule-Making Hearing dated October 1999. A hearing is scheduled on these proposals on November 12, 1999. At the outset, the Appraisal Subcommittee ("ASC") staff does not have any specific comments about:

- Clarifying the education and experience requirements for each licensed and certified classification;
- Changing all references to registered, licensed, certified residential and/or certified general to the collective term "license"; and
- Permitting pre-licensing and continuing education courses approved by another jurisdiction to be similarly accepted by the Board.

We, however, have comments on the following proposed sections.

§ 7.16: Providing continuing education credit to licensees attending a regular business meeting and/or rule-making hearing of the board.

In general, we do not oppose granting continuing education credit in these circumstances in view of the small number of credits earned and the small risk of abuse. Nevertheless, please note that the Appraiser Qualifications Board's ("AQB") Qualifications Criteria are silent regarding continuing education credit for these activities. We recommend that you contact the AQB regarding the acceptance of the proposed practice.

§§ 3.14 and 7.14: Providing distance education offerings for initial licensure/certification and continuing education.

While these sections generally are consistent with the AQB Criteria, they need to be refined to include several specific aspects of the AQB Criteria for distance education. Each set of Criteria for each appraiser qualification level contains identical distance education standards/interpretations. For example, with respect to pre-certification education, please see Interpretation 2. under III.A.2.(a)(3) and, regarding continuing education, see Interpretation 4. under III.A. A comparison of your proposals to these Interpretations will readily indicate items that need to be included.

§ 10.3: Expiring temporary practice permits upon completion of the assignment.

If you specify temporary practice permit expiration dates that are less than six-months from the date of permit issuance (even if selected by the appraiser), you must ensure that the appraiser can request and obtain at least one “easy” time extension for up to six months to be consistent with Title XI and ASC Policy Statement 5.

§§ 7.9, 8.1 through 8.4: Submitting renewal or reinstatement applications as *prima facie* evidence of having the needed hours of continuing education.

Paragraph B of ASC Policy Statement 10 states that, at a minimum, you “should have a reliable means of validating . . . education . . . credit claimed for certification or licensing. The ASC believes that the lack of routine verification procedures is both an invitation to potential fraud and a threat to the integrity of a State’s appraiser regulatory program.” Therefore, if you adopt these proposed sections, you will need to ensure that you continue to audit a reasonable, random portion of renewal and reinstatement applications to determine whether the claimed education, in fact, has been earned.

Please contact us if you have any questions.

Sincerely,

Ben Henson
Executive Director