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Appraisal Subcommittee

Federal Financial Institutions Examination Council

January 24, 2001

Mr. Carl Dutch
The Chicopee Group
3301-R-Coors Rd. NW; PMB # 255
Albuquerque, NM 87120

Dear Mr. Dutch:

Thank you for your November 6, 2000 letter. We apologize for the delay in responding to your letter. We contacted the Missouri Real Estate Appraiser Commission ("MREAC") for additional information.

You expressed concern about the educational approval process used by MREAC. Your concerns are that educational providers that are Appraisal Foundation sponsors are given preferential treatment. In short, you believe that MREAC's approval process inappropriately discriminates against non-sponsor education providers such as the Chicopee Group. More specifically, you state that Judy Kolb informed you informally that your courses were not approved because "appraiser organizations are not required to submit courses for approval . . . , nor are they required to employ Missouri licensed/certified appraisers to teach their classes."

MREAC has provided us with copies of three letters sent to you regarding the eleven courses submitted for MREAC approval. One letter approved "Communicating The Appraisal," a second letter denied approval of "Introduction to Commercial Appraising," and the third letter denied approval of nine courses. In the second letter, MREAC stated that it was denying approval because (1) the course had "inadequate instructional time for the subject matter" and (2) it did not comply with a provision of State law requiring "each instructor for a pre-license course [to be] a licensed or certified Missouri real estate appraiser." The third letter, while denying approval, requested detailed course outlines for further review. According to Judy Kolb, MREAC's Executive Director, you have not yet submitted those outlines.

Appraisal Subcommittee ("ASC") Policy Statement 7: *Prohibition Against Discrimination* discusses, in the third paragraph, discriminatory practices regarding appraiser educational course providers. In pertinent part, it states: "State appraiser regulatory agencies should avoid discriminatory practices regarding appraiser educational course providers State agencies should review their internal procedures and take steps to ensure that all educational providers are afforded equal treatment in all respects, including course review fees, timeliness of review and course location requirements." We emphasize that this Policy Statement is not mandatory; we can only recommend that States make appropriate changes to conform to its provisions.

To the best of our knowledge, MREAC has no written policy, practice, or procedure exempting appraiser organizations from the individual course approval process or the requirement to employ Missouri licensed/certified appraisers to teach classes. If that were the case, then we would recommend that MREAC treat all educational providers equally in all

respects. If you have additional information regarding your allegations, please forward it to us at your earliest convenience.

In any event, we will consider your concerns during our next scheduled field review of Missouri.

Please let us know if you have further questions.

Sincerely,

Ben Henson
Executive Director

CC: Judy Kolb, Executive Director, MREAC