

■ ■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

June 14, 1999

Carl Dutch
The Chicopee Group
3301-R-Coors Rd. NW #255
Albuquerque, NM 87129

Dear Mr. Dutch:

Thank you for your May 10, 1999 letter regarding the Appraisal Foundation's ("Foundation") development of a standard course module for Uniform Standards of Professional Appraisal Practice ("USPAP") courses. You expressed concern that this course module could restrain trade of independent course providers such as The Chicopee Group. We will address your concerns in their order of presentation.

1. *The Appraisal Foundation has stated this will be the ONLY USPAP course they will approve through the AQB's [Appraisal Qualification Board] "Course Approval Program". In effect, ensuring that only the instruction and points of view of the "Sponsors" will be expressed. . . .*

We are not aware of such a statement by the Foundation. Our understanding from Foundation representatives is that independent education providers will be able to offer USPAP courses through the AQB's Course Approval Program, if the course to be offered conforms substantially to the standard course module. Please provide us a copy of any written communication from the Foundation supporting your position.

2. *For this module to be . . . entrenched nationally, it requires acceptance by all the states. Here is where an important issue of impartiality exists. Enclosed please find a letter to AARO [Association of Appraisal Regulatory Officials] regarding a "grant/loan" approval from the Foundation to AARO*

We are aware of the Foundation's loan to AARO. Your comments and assumptions regarding impartiality, however, appear to be based on conjecture. If you have any documentation to support your concerns in this area, please provide it to us.

Your comments regarding AARO and Foundation sponsors and their July 2000 conferences should be directed to those organizations. We have no supervisory authority over AARO or the Foundation sponsors.

You stated that most States have a different approval track for courses approved by the AQB from those that lack AQB certification. We do not find that unreasonable. Not only does Congress provide the AQB authority in this area, States expend fewer resources reviewing courses that have been approved by the AQB. Any education provider may submit courses to the AQB for review and approval.

3. *[I]t appears there is a need for an "Appraisal Foundation Review Board". . . . The Board could determine whether the appraiser's mandated fees should be made available to the Foundation (grant) and whether a rule/regulation adopted by the AQB or an USPAP by the*

ASB, warrants implementation/enforcement by the ASC. The Board would report to the Executive Director of the ASC [Appraisal Subcommittee]

We have no authority to impose a review board of the type you describe.

Please contact us if you have further comments or questions.

Sincerely,

Ben Henson
Executive Director