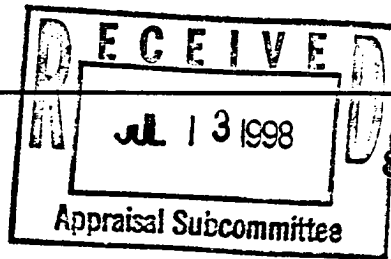


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Mr. Ben Henson
Appraisal Subcommittee
2 100 Pennsylvania Ave., NW, #200
Washington, DC 20037

July 7, 1998

Dear Mr. Henson;

I am contacting you concerning two issues which are evolving at this time regarding the Appraisal Foundation and the USPAP. I have spoken with other independent course providers about these issues, and intend to forward a copy of this letter and your response to them. Please review these issues and respond to me at your convenience.

ISSUE ONE: At a recent AARO conference in Reno Nevada, Mr. Bunton of the **Foundation stated** that a "module" for teaching the USPAP is nearly developed and will be available to the sponsoring members, the states, and other course providers very shortly. In addition, **there will** be an accompanying workbook for students. The rationale for these products according to Mr. Bunton's presentation, is to promote consistency in USPAP education, and as a "revenue generator" for the Foundation.

As professional course providers, we too agree that there should be more consistency in USPAP education. We welcome the opportunity to promote the USPAP in a format which reduces confusion resulting from instructor interpretation. However, at the present, sponsoring members already enjoy an overwhelming advantage over independent course providers with USPAP education. These members may reproduce the USPAP at will -for a nominal fee, whereas non-members must purchase the USPAP and resell it to the attendees. The difference in costs for member course providers and non-members is significant and presently borders on economic restriction of trade. If the Foundation succeeds in their present efforts to provide the teaching "module" and workbook, this too may be offered for different rates to members and non-members, effectively eliminating USPAP education by independent course providers.

ISSUE TWO: As you are aware, over the past four or five years the Foundation has offered instructor seminars for those teaching USPAP. These sessions were instructed by ASB members, and afforded attendees a unique opportunity to hear additional comments regarding USPAP from an authoritative source. At the ASB meeting in Washington in November 1997, and again at the AARO conference in Reno, the Foundation has eluded to a new format for offering these sessions. Mr. Bunton has stated the possibility of training instructors from sponsoring member organizations who will then offer these sessions to USPAP instructors. We feel that this will once again result in a situation where independent course providers will have to attend training sessions from foundation sponsoring members (competitors) to be approved by the states to teach USPAP. We have attended the currently sponsored Foundation sessions for the past four years and found them invaluable. This new concept will create an additional level establishing a mandated revenue source for the Foundation and its members.

It was evident at that AARO conference that most states would welcome a standard teaching module, and a mandated USPAP instructor course. We agree with this consensus. However, when the many aspects of these changes are reviewed, it appears that it has the potential to effectively eliminate independent course providers from offering USPAP education by controlling the price/costs of the mandated products (module, USPAP, workbook). This issue is especially pertinent at this time due to the major changes in USPAP promoted by the ASB which will require virtually a appraisers to update their USPAP education over the next two years.

The purpose of contacting you regarding these issues, is the nature of the influence of the Foundation- We are aware of their status under Title XI of FIRREA Public Law 101-73. We are also aware that the USPAP promulgated by the ASB is mandated in this federal law. Is it also the spirit of this law to exclude independent course providers from teaching USPAP by charging different costs for the Foundation's copyrighted materials, based upon membership in their private organization? Is it also the intent of this law to permit the establishment of Foundation sponsoring member education as the only "approved" source of USPAP education?

We regret the length of this letter. We thank you for your time, and eagerly await your response.

Thank you


Carl Dutch