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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

March 5, 1998

Ms. Louise A. Holt  
Administrative Assistant I  
State of Delaware  
Division of Professional Regulation  
Cannon Building, Suite 203  
P.O. Box 1401  
Dover, DE 19903

Dear Ms. Holt:

Thank you for your February 11, 1998 letter about our Invoice Number DE-98-001. In your letter, you noted that only 300 of your approximately 500 State certified or licensed appraisers pay the \$25 National Registry fee and are eligible to perform appraisals in connection with federally related transactions. In subsequent telephone conversations, we learned that Delaware does not take any steps to assure that only State certified or licensed appraisers who have paid the National Registry fee and who are on the National Registry perform appraisals in connection with federally related transactions.

Appraisal Subcommittee Policy Statement 8.A., in pertinent part, states:

Only appraisers on the National Registry are eligible to perform appraisals in connection with federally related transactions. Some States may give State certified or licensed appraiser an option of not paying Registry fees. If a State certified or licensed appraiser chooses not to pay the fee, then the credentialing State agency must ensure that any potential user of that appraiser's services is aware that the appraiser's certificate or license is limited to performing appraisals in connection with non-federally related transactions. The State agency must place a conspicuous notice directly on the face of any evidence of the appraiser's authority to appraise stating, "Not Eligible To Appraise Federally Related Transactions."

Delaware must conform to this Policy Statement as soon as possible. Moreover, because the State's practice apparently has been in place for a substantial period of time, you need to inform all financial institutions in Delaware about this situation. Based on our experience in other States, you may wish to inform your affected appraisers that you will be notifying Delaware financial institutions that they are not eligible to perform appraisals for federally related transactions. It is our experience that most of those appraisers will choose to pay the National Registry fee and be eligible to appraise for federally related transactions.

Please notify us within 30 days of the action you decide to take and the time period for implementation. If you have any questions, please do not hesitate to contact us.

Sincerely,



Ben Henson  
Executive Director