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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

December 15, 2003

Charles S. Wood  
Atlantic Appraisal Services, Inc.  
1331 Ocean Blvd.  
Suite 102  
St. Simons Island, GA 31522

Dear Mr. Wood:

Thank you for your November 25, 2003 letter stating your concerns regarding the Appraiser Qualifications Board's ("AQB") *Sixth Exposure Draft on revising the Real Property Appraiser Qualification Criteria*. While you addressed your letter to me in my capacity as Associate Director of Risk Management Policy at the Federal Deposit Insurance Corporation, because the issues discussed in your letter fall within the Appraisal Subcommittee's ("ASC") jurisdiction, I am responding to your letter as Chairman of the ASC.

First, you assert that use of the word "currently" in § 1116(a) of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, ("Title XI") limits the AQB's authority to establish minimum qualifications criteria for certified real estate appraisers to those that existed at the time of Title XI's adoption in 1989. You recognized in your letter that the Federal Financial Institutions Examination Council's Legal Advisory Group ("LAG") addressed how "currently" is to be interpreted in the context of Title XI and its legislative history. You further noted that the LAG's opinion has not been tested in court. We concur that the opinion has not been reviewed in court. Until such a judicial review occurs, however, the LAG's opinion is the definitive legal guidance that the ASC will follow.

Your second concern appears to center around the AQB's activities respecting the examination of appraiser applicants. You state that the AQB has no authority under Title XI "to demand, have access or request any information regarding State test [sic]. . . ." Also, it seems you believe that it "is not a requirement of any state or territory to use a [sic] AQB test . . . ." You attached a September 22, 2003 letter from the AQB to one of the AQB-approved appraiser examination test providers requesting specific information regarding the provider's examinations. Through this letter, the AQB hopes to gather information to understand the performance of the current credentialing examination systems so that it can make informed decisions regarding changes to the National Uniform Examination Content Outlines.

We do not believe that the AQB, in its September 22, 2003 letter, claimed that Title XI specifically authorizes the AQB to request information from examination test providers. Title XI is mentioned only in the letter's first paragraph. There, the AQB stated that, "Title XI . . . authorizes the [AQB] to establish minimum criteria regarding examination content for states to

use in administering their real property appraiser licensing and certification programs.” It appears that this sentence was intended to introduce the AQB to the examination provider and to place the request in context. It also accurately reflects reflects the language in § 1116(b) of Title XI, which requires the AQB to issue or endorse the Uniform State Certification Examination.

Please contact us if you have further questions.

Sincerely,

Steven D. Fritts  
Chairman