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Appraisal Subcommittee

Federal Financial Institutions Examination Council

January 15, 1999

Mr. Charles Clark, Real Estate Commissioner
Georgia Real Estate Appraisers Board
Suite 1000, International Tower
229 Peachtree Street, NE
Atlanta, GA 30303-1605

Dear Mr. Clark:

This letter follows up our previous correspondence and discussions regarding Georgia's system of collecting National Registry fees for its initial licensing/certification period. In our September 16, 1998 letter, we stated that we would consider your position at a future meeting and that, until we reached a final decision, we would consider your current system acceptable. The Appraisal Subcommittee ("ASC"), at its January 13, 1999 meeting, reconsidered this matter in light of the November 3, 1998 Decision of the Comptroller General of the United States ("Decision"), which we received on November 19, 1998. The Comptroller General, under Federal law, is the final authority regarding Federal Government agencies' financial matters. The ASC must conform to the Comptroller General's Decision. We have enclosed a copy of the Decision for your information.

We requested a ruling from the Comptroller General on how we should treat certain National Registry fees. The request became necessary because one State collected four years of National Registry fees from each appraiser, but only transmitted a one-year fee to the ASC on an annual basis. That State requested that we list its appraisers on the National Registry for the entire four-year period.

The Comptroller General decided that, based on the wording and legislative history of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("Title XI"), the ASC is not authorized to identify appraisers on the National Registry as eligible to perform appraisals in connection with federally related transactions for years for which a State has collected fees, but has not transmitted them to the ASC. In short, the ASC cannot identify an appraiser on the National Registry for a period that exceeds the National Registry fees remitted to the ASC by the State.

Because of the Decision, the ASC no longer can consider your current system acceptable. As discussed in our previous communications, that system results in initial licensing/certification periods ranging from one month to 23 months. The Decision prohibits the ASC from listing appraisers on the National Registry for more than 12 months (plus an administrative grace period) for a single \$25 annual National Registry fee. Accordingly, Georgia needs to modify its National Registry policies to conform to Title XI, as interpreted by the Comptroller General.

We recognize that these changes may take some time. Please provide us with an estimated implementation schedule as soon as possible. Please contact us if we can assist you in conforming to this Decision.

Sincerely,

Herbert S. Yolles
Chairman

Enclosure