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**REAL ESTATE APPRAISER PROGRAM**  
STATE OF HAWAII  
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
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July 25, 2001

Mr. Ben Henson, Executive Director  
Appraisal Subcommittee  
Federal Financial Institutions Examination Council  
2000 K Street NW, Suite 310  
Washington, D.C. 20006

Dear Mr. Henson.

As we discussed earlier this month via email, the Professional and Vocational Licensing Division ("PVL") would like to offer online renewal of real estate appraiser licenses during November and December 2001. In order to offer online renewals, we need to streamline the renewal process and eliminate the submission of documentation of continuing education ("CE") credit hours with the renewal application.

Thus, rather than requiring all licensees to submit evidence of CE, we are implementing a random audit process of CE credit hours for license renewal. The random audit process for CE has been utilized successfully in other licensed areas. The process is described below:

- 1) Using a statistically valid sample size, a computer generates random numbers to determine which appraisers will be audited.
- 2) Approximately 2 months prior to the expiration of the real estate appraiser licenses, we will notify the appraisers who will be audited that they are required to submit their CE course completion certificates along with their renewal applications. The appraisers selected for random audit will not be able to renew their license online.

Appraisers who are not selected to be audited will be required to attest that they have completed 28 hours of required CE to qualify for license renewal. All appraisers not selected for random audit will be able to renew online.

07-25-01 08:15am From-PVL ADMINISTRATION

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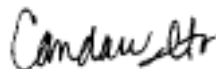
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- 3) A review of CE will be conducted only for those appraisers who are selected to be audited.

We hope that this process meets with the ASC's approval. Implementation of a random audit for license renewals will allow Hawaii appraisers to renew their licenses on-line. On-line renewals streamline the renewal process and facilitate the timely and error-free renewal of appraiser licenses, and further the Governor's initiative to make government and its *processes* more accessible to the public.

We look forward to hearing from you regarding real estate appraiser on-line renewals and the random audit process. Should you have any questions regarding this *matter*, I can be reached at (808) 586-2704.

Sincerely,



Candace Ito  
Executive Officer

cc: Kathryn Gearheard  
Senior Appraisal Policy Manager

CI:slg