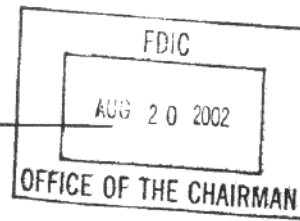


August 13, 2002



Mr. Donald E. Powell, Chairman
Federal Financial Institutions Examinations Council
c/o Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429-9990

Dear Sir:

The purpose of this letter to bring to your attention as chairman of FFIEC conditions involving the Appraisal Subcommittee (ASC) which should be of concern to FFIEC. If the conditions are as they appear it is believed that timely action is necessary. The letter is being written directly to FFIEC since recent ASC activities have undermined reasonable confidence in the ASC.

Man enclosure you will find a letter to Mr. Joseph J. Simons of the Bureau of Competition of the Federal Trade Commission expressing a fair trade complaint involving the Appraiser Qualifications Board of the Appraisal Foundation. Additionally, it presents evidence of what appears to be a failure of the ASC to exercise its duties relative to the AQB, and consequently its responsibilities to the public. In fact, the evidence leads to the conclusion that the ASC has been discourteous, deceptive and irresponsibly slow in responding to legitimate public concerns.

The evidence leads to the following specific conclusions. 1) The ASC was both discourteous and irresponsibly slow in its delay to either require the AQB to seek a legal opinion of its instructor certification program or to seek such an opinion itself. 2) It was discourteous and deceptive in its request for an opinion to the LAG by structuring the request so narrowly as to avoid the issues being questioned, thereby misleading the LAG. 3) The LAG was irresponsibly slow in providing a response to the request. 4) The ASC was discourteous and disrespectful in providing wide dissemination of the opinion proclaiming it to have some substance. 5) The ASC Executive Director was deceptive in his December 6, 2001 meeting with representatives of the Subcommittee on Housing and Community Opportunity, and in his March 20th, 2002 letter to Columbia Institute.


It is respectfully requested that a review of these conditions be conducted. If the conditions are as the evidence presented indicates, it is believed that the Executive.

Mi. Donald E. Powell,
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Director of the ASC must be replaced. Further, such a review might also indicate that some appointed member(s) of the ASC should also be replaced. In any event; this letter is sent directly to you in the hopes that something might be done quickly to restore confidence in the ASC.

Your timely consideration and positive action is sincerely appreciated, and if you should like additional information or clarification, please feel free to contact the Columbia Institute.

Sincerely,



George R. Harrison, Ph.D.
GH/2

Enclosure: Ltr to Joseph I. Simons FTC, dtd August 1, 2002

cc: Senator Paul Sarbanes, Senate Banking Committee
Honorable Marge Roukema, Subcommittee on Housing and Community Opportunity
Honorable Mac Collins
Honorable Charles A. Gonzalez
Honorable Cynthia Kinney
AARO