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Appraisal Subcommittee

Federal Financial Institutions Examination Council

January 23, 2002

Medana C. Davis
Staff Counsel
State of Indiana
Indiana Professional Licensing Agency
302 West Washington Street, Room E034
Indianapolis, IN 46204-2700

Dear Ms. Davis:

Thank you for your letter of January 3, 2002, to Dennis Green regarding a recent amendment to the Indiana Real Estate Appraiser Licensure and Certification Board's ("Board") temporary practice regulations. In your letter, you asked whether the new regulations conflict with Federal law and, if such a conflict exists, identification of the pertinent Federal law. The amendment provides, among other things, that the Board "will recognize on a temporary basis, the license or certificate of an appraiser issued by another state, provided the following: (a) . . . (4) The work in Indiana does not last longer than sixty (60) days."

This provision conflicts with § 1122(a) of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, ("Title XI") (12 U.S.C. 3351(a)) and Appraisal Subcommittee ("ASC") *Policy Statement 5, Temporary Practice*, thereunder. Section 1122(a) requires State appraiser regulatory agencies ("State agencies") to provide temporary practice if: (a) the property to be appraised is part of a federally related transaction; (b) the appraiser's business is temporary; and (c) the appraiser registers with the State agency in the State of temporary practice. Paragraph b of that Section prohibits State agencies from imposing excessive fees for, or burdensome requirements on, temporary practice, as determined by the ASC. ASC *Policy Statement 5*, among other things, prohibits State agencies from "[l]imiting the valid time period of a temporary practice permit to less than six months after its issuance date" Please refer to the ASC's Web site at <http://www.asc.gov/content/category2/intro.html>. This Web page will link you to Title XI and the *Appraisal Subcommittee Policy Statements Regarding State Certification and Licensing of Real Estate Appraisers*.

Therefore, the Board must amend 876 IAC 3-3-21(a)(4) to provide for a permit time period of at least six months. We would appreciate your beginning the rule amendment process as soon as possible and keeping us informed of its progress. Please contact us if you have any questions.

Sincerely,

Marc L. Weinberg
Acting Executive Director and
General Counsel

cc: Julie Wiesinger, Board Secretary