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Appraisal Subcommittee

Federal Financial Institutions Examination Council

June 19, 2002

Dear Interested Party:

Enclosed for your information is a copy of a June 11, 2002 legal opinion issued by the Legal Advisory Group (“LAG”) of the Federal Financial Institutions Examination Council. The LAG consists of the General Counsel of the Federal Deposit Insurance Corporation, the General Counsel of the Board of Governors of the Federal Reserve System, the Chief Counsel of the Office of the Comptroller of the Currency, the Chief Counsel of the Office of Thrift Supervision, and the General Counsel of the National Credit Union Administration, the constituent agencies of the Federal Financial Institutions Examination Council.

Because of challenges to actions by the Appraisal Subcommittee (“ASC”) and the Appraisal Foundation’s Appraiser Qualifications Board (“AQB”), the ASC requested that LAG examine and issue a legal opinion concerning the following questions:

- Does Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, (“Title XI”) authorize the AQB to adopt minimum education requirements for certified real estate appraisers, including those relating to continuing education and distance education;
- Is the ASC’s interpretation of its duties to monitor and review AQB activities appropriate and consistent with Title XI and other applicable law; and
- Was the ASC acting improperly or in any manner inconsistent with Title XI or other law when it instructed States to rescind their approvals of continuing education courses for certified real property appraisers that did not conform to AQB Criteria?

As discussed in detail in the attached legal opinion, LAG determined that: (1) Title XI authorized the AQB to adopt those minimum education requirements; (2) the ASC lawfully interpreted its duties to monitor the AQB under Title XI; and (3) the ASC did not act improperly or in any way inconsistent with law when it instructed States to rescind their approvals of education courses not conforming to AQB certification requirements.

Please contact us if you have any questions.

Sincerely,

Ben Henson
Executive Director

Enclosure