



4 October 2000

Mr. Thomas E. Watson  
Chairman  
Appraisal Subcommittee  
2000 K Street, N.W., Suite 310  
Washington, D.C. 20006

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Dear Mr. Chairman:

This is a follow-up to our telephone conversation in which I expressed my company's concern over the Appraiser Qualifications Board requirement that if an appraisal distance education course is not offered by an accredited college or university or accepted for college credit through the American Council on Education's program, then it must be approved through the AQB course approval program.

We currently offer ten on-line courses for real estate appraiser credit. The student downloads all the course materials from our website, reads the textbook, completes various case studies and review questions and problems, and then submits by e-mail or fax his/her answers on quizzes that test the material he/she has completed. We grade it and e-mail or fax the student his/her score and explanations of the answers. There are at least three of these quizzes spaced throughout each of our courses. A Lee & Grant instructor is assigned to each student taking one of our on-line courses. Any time the student has a question, comment, concern about the course he/she e-mails or faxes or telephones the assigned instructor, who is responsible for monitoring the student's progress as indicated by the quiz results and to respond to any communication from the student.

In order to earn credit for the course, the student must also sit for a two-hour, open-book, end-of-course exam that he/she must pass with at least a 70% score. All of our on-line courses, whether for qualifying or continuing education credit, require the student to pass an end-of-course exam. Although passing such an exam is not required by the AQB approval program or any other agency we are aware of for continuing education credit, we feel it is essential to require some sort of measurement of performance at the conclusion of the course. Enclosed please find our sheets on "Requirements for Course Credit," "From the Instructor," and "Proctor Suggestion" that are in each of our on-line textbooks.

Of course, we do not offer these courses until they are approved by the various States. If we qualify for State approval, we do not see the need for layering an expensive AQB course review as well. At the current AQB approval fee of \$900. per course (9-16 hours in length for continuing education), we would have to spend

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\$9,000. for the ten courses States have approved thus far. With the AQB's annual renewal requirement (by 30 June each year) of \$100. for each continuing education course, we would have to pay an additional \$1,000. per year. The approval and renewal fees would be higher for our qualifying courses. And we are planning to seek approval from the States for another 15 courses. We respectfully solicit the views of the Appraisal Subcommittee on the necessity for the AQB also approving a course that a State has approved.

During our telephone conversation we also talked about The Appraisal Foundation's USPAP course. Hence, I am enclosing with this letter our program for enhancing USPAP understanding around the country. I know you expressed the concern in our conversation over the current level of USPAP education. We believe our National Program for USPAP Education (NPUE) effectively addresses such concerns and we welcome any comments you and committee members may have on this program.

Thank you, Mr. Chairman, for your time on the telephone and your committee's consideration of the issues we have brought up in this letter. My partner, Pattie Mosure, and I are looking forward to seeing you at the AARO meeting later this month. Best wishes.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen G. Patten", written in a cursive style.

**Stephen G. Patten**  
**Direction of Education**

Enclosures