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Appraisal Subcommittee

Federal Financial Institutions Examination Council

BY FAX

February 12, 2001

Frederique Adam-Jupillat
Management Assistant
State of New Jersey
Department of Law and Public Safety
Division of Consumer Affairs
State Real Estate Appraisers Board
P.O. Box 45032
Newark, NJ 07101

Dear Ms. Adam-Jupillat:

This letter confirms our telephone conversation of last week regarding the State Real Estate Appraisers Board's rules and regulations and responds to your January 18, 2001 letter requesting our comments on them. Our comments follow.

1. All rule provisions dealing with "temporary visiting certificates" state, in pertinent part, "the individual has a current valid certificate to practice . . . in another state *which has requirements for* [licensing or certification] *substantially equivalent to those of New Jersey.*" [Emphasis added.] In general, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, and ASC Policy Statement 5, thereunder, require, among other things, that States award temporary practice permits when: (1) the property to be appraised is part of a federally related transaction; (2) the appraiser's business is of a temporary nature; and (3) the appraiser registers with the State appraiser regulatory agency in the temporary practice State. The highlighted language above needs to be removed;
2. Section 13:40A-5-3(f)(3) states that if an initial certificate was issued during the last six months of the second year of a biennial renewal period, no continuing education hours are required for renewal. The Appraiser Qualifications Board's ("AQB") appraiser qualifications criteria ("criteria") for certified residential and general appraisers state that the equivalent of 14 hours of continuing education is required for each year during the period preceding the renewal. Therefore, this provision needs to be changed to conform to this requirement;
3. Section 13:40A-5.3(c) states, in part, that "[a] licensee may take additional courses or seminars in USPAP [but] the licensee may receive a maximum of only four hours of continuing education credit for USPAP courses taken in a period other than the period in which the licensee completes the 15-hour USPAP course" Please be advised that under changes to the AQB criteria, effective on January 3, 2003, the minimum hour requirement will be seven hours in a two-year cycle (you have a two-year cycle). Therefore, you will need to increase your four hour requirement to at least seven hours;
4. The rules at several places state that, for qualifying education: "The Board shall not grant credit for correspondence courses or for video and remote television educational

offerings.” The Appraiser Qualifications Board’s (“AQB”) appraiser qualifications criteria (“criteria”) allow States to grant credit for such courses. *See, e.g.*, the first set of Interpretations under III.2. of the AQB’s *Certified General Real Property Appraiser Classification of the Appraiser Qualification Criteria*. The Board may wish to consider amending its existing rules to allow for distance education; and

5. Section 13:40A-5.7, *Sources of continuing education*, does not mention distance education as an allowable source of continuing education. AQB criteria allow States to grant credit for such courses. *See, e.g.*, Interpretations 3 and 4 under III.4. of the AQB’s *Certified General Real Property Appraiser Classification of the Appraiser Qualification Criteria*. The Board may wish to consider amending its existing rules to allow for distance education.

Please contact us if you have further questions.

Sincerely,

Ben Henson
Executive Director