

■   ■   ■   ■   ■   ■

# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

October 24, 2000

Erick Landeen, MAI  
812 SW Washington Street, Suite 850  
Portland, OR 97205

Dear Mr. Landeen:

Thank you for your letter, which we received on October 3, 2000, concerning potential legislation in Oregon that would change the structure of Oregon's Appraiser Certification and Licensing Board ("ACLB"). Under the "Legislative Concept" enclosed with your letter, the Department of Consumer & Business Services ("DCBS"), would "propose to restructure ACLB's program to reduce expenditures, avoid fee increases, and streamline processes [by] changing the board from policy making to advisory, eliminating the administrator and receptionist positions, and moving the program to the Division of Finance and Corporate Securities in DCBS." You also enclosed a copy of our May 11, 1993 letter to the ACLB commenting on a similar proposal that would have changed ACLB to an advisory board within Oregon's Real Estate Agency and asked for our comments on the legislative concept.

The substantive principles regarding State appraiser regulatory agency structure and independence in our May 11, 1993 letter remain valid. They now appear in Appraisal Subcommittee ("ASC") *Policy Statement 1: State Regulatory Structure and Independence*. For your information, you may review and download this Statement from our Web site, [www.asc.gov](http://www.asc.gov).

Nothing in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, ("Title XI") or our Policy Statement prohibits Oregon from changing its appraiser regulatory structure as indicated in the Legislative Concept. As outlined in that Policy Statement, while the ASC prefers States to locate its appraiser regulatory functions within an independent agency, it does not impose any particular organizational structure upon them. In practice, our focus is on whether the State performs its substantive duties under Title XI in a fair, unbiased, and effective manner, rather than the manner in which the functions are structured. That is not to say that the structure of the appraiser regulatory function is irrelevant. The structure, among other things, very well may affect the ability of the State to provide sufficient resources to perform Title XI duties effectively or may involve the same persons who regulate realty-related activities, thereby requiring the State to have adequate safeguards to avoid any potential or actual conflicts of interest. Rest assured that, should the Legislative Concept ultimately become law, we will review Oregon's new structure with these principles in mind.

Please contact us if you have further questions.

Sincerely,

Ben Henson  
Executive Director