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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

May 4, 2000

James J. Marotta, MAI  
Realty Services International, Inc.  
10 Kearney Road, Suite 100  
Needham, MA 02494

Dear Mr. Marotta:

This letter responds to your April 14, 2000 fax to use regarding State certification requirements. More specifically, you asked: “[i]f an appraiser does not physically inspect a property, does that appraiser (who is certified in another state and assuming that that appraiser is locationally competent to perform that appraisal) have to be certified in the state in which the property is located in order to complete a FIRREA compliant document?” You then provided additional background information regarding working for “a dot.com” lender who would require an inspection of U.S. domestic properties and “opinions of value” within 72 hours. The appraiser would prepare the opinion outside the State where the property is located, and you would hire an unlicensed or uncertified individual to provide photographs and to fill out an inspection checklist, which would be forwarded to the out-of-State appraiser.

State, and not Federal, statutes and regulations define whether persons performing appraisals or providing evaluation services must be State certified or licensed in the State where the property is located. We are aware that some States require out-of-State certified or licensed appraisers performing such services to be certified or licensed within those States. In fact, the Oregon Appraiser Certification and Licensing Board recently has been sued by Chicago Title-Market Intelligence, Inc., over this issue. As a Federal agency, the Appraisal Subcommittee’s regulatory jurisdiction only reaches Federal, and not State, law issues. Therefore, we cannot respond to your question. We suggest that you contact the State appraiser regulatory agencies in the States where you may be performing valuation services for this lender.

Please contact us if you have any questions.

Sincerely,

Ben Henson  
Executive Director