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Appraisal Subcommittee

Federal Financial Institutions Examination Council

By FAX

February 20, 2004

Sharron Knotts, Executive Director
West Virginia Real Estate Appraiser
Licensing and Certification Board
2110 Kanawha Blvd. East, Suite 101
Charleston, WV 25311

Dear Ms. Knotts:

Yesterday, you faxed us a copy of Senate Bill Number 470 ("Bill") and requested that we review and provide you comments regarding its intention to only continue the Real Estate Appraiser Licensing and Certification Board ("Board") until July 1, 2005. The joint committee on government operations recommends this action. We strongly believe the sunset date should be extended, if not eliminated, given the Board's responsibilities under Federal law.

If West Virginia's Board were to cease to exist on July 1, 2005, West Virginia, in all likelihood, would suffer significant problems. All West Virginia licensed and certified appraisers no longer would be able to perform appraisals in connection with federally related transactions. They no longer would be eligible to perform appraisals in real estate related transactions involving Fannie Mae or FreddieMac. Moreover, the Federal Housing Administration within the U.S. Department of Housing and Urban Development no longer could insure mortgages based on appraisals prepared by West Virginia licensed or certified appraisers. As a result, the State's residential and commercial real estate markets would be severely disrupted, causing losses to financial institutions doing business with West Virginia, and, among other things, West Virginia's licensed or certified appraisers would suffer financial losses.

Please contact us if you have further questions.

Sincerely,

Marc Weinberg
Acting Executive Director and
General Counsel