

February 11, 1994

Alfred J. Ferrara, Chairman
Board of Certified Real Estate Appraisers
Department of Commerce and Economic Development
333 West Willoughby Avenue, 9th Floor
Juneau, Alaska 99811-0806

Dear Mr. Ferrara:

Thank you for your letter of November 2, 1993, responding to issues raised in our September 24, 1993 letter. We understand that the Alaska Board of Certified Real Estate Appraisers has addressed several of the issues raised in our September 24 letter by: (1) monitoring the quantity and timeliness of complaint processing; (2) rescinding a policy of accepting particular appraiser designations as a substitute for required education; and (3) taking necessary steps to ensure that certified residential appraiser applicants, after July 1, 1994, meet the Appraisal Qualifications Board's current minimum education requirement of 120 hours of education. We will continue to monitor your progress with respect to these items.

The Appraisal Subcommittee remains concerned about several other issues noted in our September 24 letter. First, while we understand the Board's logic regarding why it does not approve every proprietary school that wants to teach appraisal courses (Alaskan appraisers are unlikely to attend such schools), the ASC believes that this policy blocks applicants from other States from being certified as appraisers in Alaska and is unduly restrictive. The ASC strongly encourages Alaska to credit an appraiser with the education awarded by other States during their original certification process because every State, at a minimum, must meet AQB minimum course content and educational requirements for certified appraisers.

Second, the ASC continues to be very troubled about several aspects of Alaska's Courtesy License or temporary practice process. As outlined in our September 24, 1993 letter, the State has the discretion to deny a Courtesy License to an appraiser, even if that appraiser is duly certified or licensed in another State and is in good standing. In addition, the State requires a certified or licensed appraiser from another State to affiliate with an Alaska certified appraiser when performing an appraisal on a temporary basis and to pay a total of \$150 for the Courtesy License. And, finally, a Courtesy License is valid for only 30 days, cannot be extended or renewed and can be issued only once a year to any one appraiser. The ASC believes that these features create unacceptable barriers to temporary practice.

While we recognize that Alaska's factors may be somewhat different from those in the contiguous United States - distances are large, travel is expensive and weather conditions are unique - temporary practice is a right provided by federal statute. Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 mandates States to permit temporary practice and the Alaska rules impede that mandate. Our Statements of Policy may help clarify this matter (a copy is enclosed).

Accordingly, the ASC expects Alaska to take reasonable steps to ensure that its statutes, regulations, policies and practices pertaining to temporary practice are consistent with Federal law. In other words, Board discretion and the affiliation requirement should be eliminated, temporary practice permits should be awarded on an assignment basis, and the annual limitation of temporary practice permits should be increased to a reasonable number. Moreover, absent clear justification by you, the total temporary practice fee should be less than \$100 per permit.

Please respond to this letter within 60 days. We request you obtain and forward an opinion from the Alaska Attorney General as to the State's compliance with Title XI. The ASC intends to provide Alaska ample opportunity to work out these differences by consent, settlement, or in some other manner before further action is considered.

Sincerely,

Diana L. Garmus
Acting Chairperson

Enclosure

cc: Karl Luck, Director
Division of Occupational Licensing

Carol Whelan
Licensing Examiner