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Appraisal Subcommittee

Federal Financial Institutions Examination Council

June 19, 2000

Jack Larrison, Chairman
Arkansas Appraiser Licensing and Certification Board
2725 Cantrell Road, Suite 202
Little Rock, AR 72202

Dear Mr. Larrison:

Thank you for your cooperation and your staff's assistance in the April 5-6, 2000 Appraisal Subcommittee ("ASC") review of the Arkansas Appraiser Licensing and Certification Board ("Board") and appraiser regulatory program ("Program"). We are pleased to inform you that, based on our review, your Program functions effectively and, in most respects, in a manner consistent with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI"). However, two areas need your attention.

- **The Board's Rules and Regulations authorize continuing education carryover, which is inconsistent with Appraisal Qualifications Board ("AQB") criteria.**

In early 1998, the AQB issued an interpretation stating that continuing education carryover is not permitted under its criteria. In a July 1998 letter, we notified all States of this interpretation and instructed States with carryover provisions to initiate corrective action. Arkansas has not corrected its regulations or eliminated the practice. The Board must amend Section VIII B. of its Rules and Regulations to comply with AQB criteria by either establishing a continuing education cycle matching or exceeding the existing carryover period or by eliminating the carryover provision.

- **Board Rules and Regulations do not conform to ASC Policy Statement 5 regarding Temporary Practice.**

In Policy Statement 5, the ASC determined that not providing for at least one easy extension of a temporary practice permit is a burdensome practice and, thus, prohibited by Title XI. The Board's Rules and Regulations do not authorize such an extension. While we understand that the Board has not received any requests for temporary practice extensions, the Board must amend Section VI B. of its Rules and Regulations to provide for at least one easy extension of a temporary practice permit.

Please respond to our findings and recommendations within 60 days from the date of this letter. Until the expiration of that period or the receipt of your response, we consider this field review to be an open matter. After receiving your response or the expiration of the 60-day response period, whichever is earlier, this letter, your response and any other correspondence between you and the ASC regarding this field review become releasable to the public under the Freedom of Information Act and will be made available on our Web site.

If you have any questions, please contact us.

Sincerely,

Thomas E. Watson, Jr.
Chairman