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Appraisal Subcommittee

Federal Financial Institutions Examination Council

July 10, 2002

Elizabeth S. Balajadia, Chair
Board of Professional Licensing
PO Box 502078
Saipan, MP 96950

Dear Ms. Balajadia:

Thank you for your staff's cooperation and assistance in the May 21, 2002 Appraisal Subcommittee ("ASC") review of the Commonwealth of the Northern Mariana Islands' ("CNMI") appraiser regulatory program ("Program"). We are pleased to inform you that, based on our review, your Program appears to function effectively and in a manner generally consistent with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI"). We appreciate the Board's responsiveness to concerns addressed in our previous review. During our review, we noted two areas that need Board attention.

- **The Board needs to ensure that, should it receive a temporary practice request, it processes the request in conformance with Title XI and ASC Policy Statement 5.**

Board regulations authorize temporary practice for federally related transactions for appraisers from other jurisdictions and provide that the appraiser's business must be temporary in nature. The remaining temporary practice requirements, however, are not clearly outlined in the CNMI statute or Board regulations. Discussions with your Executive Director indicated that temporary practice applicants would be charged \$200, the sum of a \$100 application fee and \$100 license fee and that an appraiser would be extended only one permit in a calendar year. She also noted that the application could take one to two months to process because Board approval is required.

Although CNMI has not received a temporary practice request, processing a request under these conditions would be inconsistent with Title XI and ASC Policy Statement 5 because:

1. The total fee for temporary practice would exceed \$150;
2. An appraiser would be limited to one permit per year; and
3. The application would not be processed within 5 business days after receipt.

We provided the Executive Director and appraiser Board member copies of the ASC Policy Statements and discussed Policy Statement 5's provisions. The Board and staff need to take the necessary steps to ensure its temporary practice procedures are consistent with ASC Policy Statement 5.

- **The Board needs to complete adoption of the 2003 changes to the Appraiser Qualifications Criteria.**

On January 1, 2003, the revised Appraiser Qualifications Board Criteria will become effective. These Criteria affect education, experience, and examination requirements for certifying appraisers. We understand that you are drafting regulatory amendments to address the Criteria revisions and anticipate adopting the revised regulations at an upcoming Board meeting. Please keep us informed of your progress and notify us when you have adopted the revised Criteria.

Your response should be submitted for our receipt 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,

Jesse G. Snyder
Chairman

cc: Florence Sablan, Executive Director