

# STATE OF COLORADO

## BOARD OF REAL ESTATE APPRAISERS

Stewart A. Leach  
Program Administrator  
1900 Grant St., Ste. 600  
Denver, Colorado 80203  
Phone (303) 894-2166  
Fax (303) 894-2683

## Department of Regulatory Agencies

M. Michael Cooke  
Executive Director

## Division of Real Estate

Michael B. Gorham, Director  
Harry C. Reagan, Deputy Director



Bill Owens  
Governor

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September 19, 2001

Thomas E. Watson  
Chair, FFIEC Appraisal Subcommittee  
2000 K Street, N.W.  
Suite 310  
Washington, DC 20006

Re: Final actions in response to Filed Review

Dear Chairman Watson and Members of the Subcommittee:

The Colorado Board of Real Estate Appraisers and its staff have made significant changes in policies and procedures to address the problems identified in the May 15-16, 2000 "Field Review".

Your concerns were presented as three bulleted headings, and this summary of our actions and responses is similarly organized.

- **The Board has approved "distance education" courses that are inconsistent with AQB criteria.**

The Colorado Board of Real Estate Appraisers addressed this concern as part of our overall review of pre-licensing and continuing education. The private occupational school (Real Estate Training Center, or RETC) that had been providing distance education developed a new course presenting the basic 75 classroom hours required at our non-federally related Registered Appraiser level. They then affiliated with Aims Community College, a part of the community college network regulated by the Colorado Department of Higher Education. Aims required further refinement- the course is now accepted for college degree credit transferable to four year and advanced degree granting institutions. RETC chose not to seek approval through the Appraiser Qualifications Board's Course Approval Program due to cost. The Colorado Board is urging RETC to expand the course to 90 hours to cover the minimum AQB requirements for Licensed Real Property Appraiser. At this time RETC has no courses accepted for licensure at the higher levels.

The other distance education provider not meeting the AQB distance education provider criteria was the Colorado Division of Property Taxation, which offered a 7-hour update on the Uniform Standards of Professional Appraisal Practice. This course was annually revised to reflect changes in the Standards, and was an important resource for licensees practicing in the property tax assessment field. Regrettably, the Division of Property Taxation was not able to justify the cost of AQB CAP approval, and has dropped the course. The Division terminated work on other courses under development.

To be accepted in the future, all distance education courses will have to be offered through a qualifying higher education institution, be approved through the American Council on Education's College Credit Recommendation Service, or be approved through the Appraiser Qualifications Board's Course Approval Program. Distance education courses will go through the same content analysis and acceptance process as other pre-licensing and continuing education programs.

- **The Board does not ensure that education claims of applicants and renewing appraisers cover appropriate topic areas.**

All providers of pre-licensing appraisal courses were, and will continue to be, required to complete and submit the course approval application developed by the Association of Appraiser Regulatory Officials, along with course materials. The topical content grids on the applications were compared with the course materials to verify content and level of instruction. In a few cases, adjustments were made.

We have revised licensing application procedures, and use the content grids from the AARO course approval application to evaluate topical coverage. When an applicant is found to have a deficiency, staff makes recommendations and allows the applicant time to complete additional appropriate coursework. A memorandum is distributed to potential licensees cautioning them about the hazards of a hodgepodge of courses, and advising them to follow the track of one provider.

We continue to disagree with the Subcommittee's assertion that continuing education courses must cover or only be drawn from designated topic areas. The AQB continuing education criteria now in effect contain no specific required topics, but rather recommend or suggest, without limitation, certain topic areas. While the AQB's list of recommended topics offers good guidance, it will not be taken as limiting. Continuing education must be a means for appraisers to obtain knowledge and develop skills that pertain to appraisal practice in their geographic or specialty area. It is the intent of this Board to continue to accept all continuing education topics which it believes, based on its knowledge and experience, will benefit licensees and the people of Colorado.

That said, all regular appraisal education providers were required to submit their continuing education offerings for review and approval. As in our screening of pre-licensing courses, we require completion and submission of the AARO course approval application and course materials. The grid in the AARO form is compared with the content of the materials.

As a further step, the Board will amend its rules this November to require advance approval of topics outside the AQB recommendations. An additional rule will be promulgated prohibiting topics such as motivational or general business courses.

- **The Board automatically approves education offered by appraisal and real estate-related organizations that sponsor the Appraisal Foundation (sic).**

The rules automatically accepting appraisal education programs offered by the appraisal sponsors of The Appraisal Foundation were repealed in November 2000, with an effective date of January 1, 2001. All providers, including the Foundation's appraisal sponsors, must go through the approval process outlined above.

Sincerely yours,

For the COLORADO BOARD OF REAL ESTATE APPRAISERS,

A handwritten signature in black ink, appearing to read 'S. Leach', written in a cursive style.

Stewart A. Leach  
Program Administrator

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