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Appraisal Subcommittee

Federal Financial Institutions Examination Council

January 16, 2001

Larry S. Massey, Chair
Colorado Board of Real Estate Appraisers
1900 Grant Street, Ste. 600
Denver, CO 80203

Dear Mr. Massey:

Thank you for your September 15, 2000 response to our June 26, 2000 field review letter regarding Colorado's appraiser regulatory program ("Program"). We also thank you for your November 17, 2000 adoption of several amendments to your Rules of the Board of Real Estate Appraisers ("Rules") that cure two of our concerns. These amendments were identical to those discussed during an October 27th meeting between your Program Administrator, Stewart Leach, and Ms. Victoria Ledbetter of our staff. As discussed below, only one of our concerns still exists.

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

Amendments to Chapters 2, 3, and 7 of the Rules address our concerns. Chapter 2, as amended, clarifies that applicants for licensure and certification must ensure that their claimed education courses cover all specific topic areas in the Rule. These topic areas are consistent with those prescribed in the Appraiser Qualifications Board ("AQB") Appraiser Qualifications Criteria ("AQB Criteria"). In a recent telephone conversation with Ms. Ledbetter, Mr. Leach stated that the Board sent letters to all approved course providers requesting information on how each of their offerings meets AQB Criteria. Mr. Leach anticipated that provider responses should be received and reviewed by mid-April. We further understand that initial and renewal appraiser applications are being revised to require applicants to better describe how courses taken cover the required topic areas.

Please provide us by April 20, 2000: (1) a list of all approved education courses; (2) an explanation how your staff arrived at their approval determinations; and (3) a copy of all revised appraiser applications.

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

Amendments to Chapter 3, § 3.3(b) and Chapter 7, § 7.4(b) eliminated the Board's blanket acceptance of course offerings from professional appraisal and real estate-related organizations that are sponsors of the Appraisal Foundation. The Rules now authorize the Board to approve or disapprove pre-licensure or certification and continuing education courses on an individual basis.

- **The Board has approved “distance education” courses that are inconsistent with AQB Criteria.**

The Board continues to accept certain distance education courses that are inconsistent with AQB Criteria. As stated in our October 17, 2000 letter, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, (“Title XI”) requires that Colorado, at a minimum, conform its distance education course requirements for certified real estate appraisers to AQB Criteria pertaining to approving distance education offerings. AQB Criteria require those offerings to be:

- a. Offered by an accredited college or university;
- b. Accepted for college credit through the American Council on Education’s College Credit Recommendation Service (formerly the ACE/PONSI program); or
- c. Approved through the AQB Course Approval Program.

The Board must immediately rescind its approval of these courses and must ensure that all future distance education course offerings for certified appraisers conform to AQB Criteria. Please inform us in writing when you have rescinded your approval of these courses. Also, please provide us by April 20th with your specific plan to ensure that future offerings conform to AQB Criteria.

Please contact us if you have further questions or concerns.

Sincerely,

Ben Henson
Executive Director

cc: Stewart Leach, Program Administrator