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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

March 4, 2005

Michael Martinez, Special Counsel  
Florida Department of Business  
and Professional Regulation  
1940 North Monroe Street  
Tallahassee, Florida 32399-0750

Dear Mr. Martinez:

We appreciated meeting with you and other Florida appraiser regulatory officials on February 17, 2005, at the end of the Appraisal Subcommittee's ("ASC") follow-up review of Florida's appraiser regulatory program. Other officials attending the meeting included: Department of Business and Professional Regulation ("DBPR") Deputy Director Andy Edwards; Division of Real Estate ("DRE") Director Elizabeth Vieira; DRE Deputy Director Sharon Thayer; DRE Bureau Chief - Enforcement Kathleen Koeberich; DRE Chief Attorney Juana Watkins; Regulatory Specialist Ashley Dashnaw; Florida Real Estate Appraiser Board Chairman Jay Small; and by teleconference, Bureau of Central Intake and Licensure ("BCIL") Director Scott Stewart; BCIL Deputy Director Arlene Forbing; Bureau of Education and Testing ("BET") Regulatory Program Administrator George Ayrish; and Senior Management Analyst Supervisor Melissa Howard. Our follow-up review and meeting focused on concerns identified in the ASC's April 2004 field review. The purpose of this letter is to confirm certain agreements reached at that meeting. We will send a more comprehensive letter addressing our follow-up review findings in a subsequent letter.

Florida agreed to complete the following actions and provide written documentation to ASC staff no later than March 31, 2005:

- **The Department's process for issuing initial appraiser certifications does not have a reliable means of validating qualifying education and experience claims of applicants.**
  1. Complete the experience audits of the 152 appraisers identified in the 10% sample of appraisers who were issued initial certified credentials on or after August 1, 2001.
  2. Prepare and submit to the ASC a spreadsheet specifying, at a minimum, the following information for each of the 152 appraisers:
    - Name;
    - License or Certificate Number;
    - AQB Experience Compliant ("Yes" or "No");
    - Reason, if not compliant;
    - Action Taken (for non-compliant appraisers); and
    - Status (whether and how the appraiser corrected the deficiency).

3. Complete the education audits of the 130 appraisers identified in the 10% sample of appraisers who were issued initial certified credentials on or after August 1, 2001.
  4. Prepare and submit to the ASC a spreadsheet detailing, at a minimum, the following information for each of these appraisers:
    - Name;
    - License or Certificate Number;
    - Education Compliant (“Yes” or “No”);
    - Reason, if not compliant;
    - USPAP compliant (“Yes” or “No”);
    - Action Taken (for non-compliant appraisers); and
    - Status (whether and how the appraiser corrected the deficiency).
- **The Department does not have a reliable means of validating continuing education claims of appraisers applying to renew certified credentials.**
    1. Complete the continuing education audits of the 441 appraisers identified in the 10% sample of appraisers whose credentials were renewed on or after August 1, 2001.
    2. Prepare and submit to the ASC a spreadsheet detailing, at a minimum, the following information for each of these appraisers:
      - Name;
      - License or Certificate Number;
      - Education Compliant (“Yes” or “No”);
      - Reason, if not compliant;
      - Action Taken (for non-compliant appraisers); and
      - Status (whether and how the appraiser corrected the deficiency).
  - **Florida had not adopted AQB criteria that became effective January 1, 2003.**
    1. Identify all certified appraisers whose initial credentials were issued on or after January 1, 2003, and provide a listing of these appraisers to ASC staff;
    2. For appraisers identified in step 1, determine which appraisers relied on a qualifying USPAP course taken on or after January 1, 2003;
    3. For appraisers identified in step 2, determine which appraisers did not take the 15-hour National USPAP Course, or its equivalent;
    4. Notify appraisers identified in step 3, by March 31, 2005, that they must take the 15-hour National USPAP Course, or its equivalent, and pass the associated examination not later than June 30, 2005;
    5. By March 31, 2005, prepare and submit to the ASC a spreadsheet detailing, at a minimum, the following information for each of the notified appraisers:

- Name;
  - License or Certificate Number;
  - National USPAP Course Compliant (“Yes” or “No”); and
  - Date notification letter was send to appraiser (for non-compliant appraisers).
6. Identify, by July 31, 2005, those certified appraisers who failed to conform to AQB criteria either by not taking the 15-hour National USPAP Course, or its equivalent, or failing the associated examination, and begin the necessary steps to downgrade those appraisers to non-certified classifications.
7. By July 31, 2005, submit to the ASC an update of the spreadsheet prepared for item #5 adding the following information for each of these appraisers:
- Passed USPAP Course and Exam (“Yes” or “No”);
  - Action Taken (for non-compliant appraisers).

Please contact us if you have any questions.

Sincerely,

Ben Henson  
Executive Director

cc: Elizabeth Vieira, Director Division of Real Estate  
Jay Small, Chairman, Florida Real Estate Appraiser Board