

□ □ □ □ □ □

Appraisal Subcommittee

Federal Financial Institutions Examination Council

October 1, 2003

Mr. Gary L. Bernes, Chairperson
Georgia Real Estate Appraisers Board
Suite 1000 - International Tower
229 Peachtree Street, N.E.
Atlanta, GA 30303-1605

Dear Mr. Bernes:

Thank you for your September 17, 2003 letter responding to our August 14th field review letter. In your letter, you addressed four areas that were discussed by Appraisal Subcommittee (“ASC”) staff during the field review. None of these areas was noted in the ASC’s August letter. In fact, the ASC did not find any deficiencies warranting curative action. The ASC’s only finding was that Georgia’s real estate appraiser regulatory program (“Program”) functions in a manner consistent with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (“Title XI”).

Our staff shares preliminary observations while on site to explain and glean additional information regarding items that might be included in the ASC’s subsequent field review letter. Ms. Ledbetter, in presenting these observations to you, noted that they were only preliminary observations that may or may not be included as findings by the ASC in its field review letter. While our staff informed the ASC about its observations, the staff recommended, and the ASC agreed, that no curative action was necessary.

We understand from your letter that the Georgia Real Estate Appraisers Board (“Board”) voted to implement items 2 and 4 of your letter, and to consider acting on items 1 and 3, if the ASC indicated a need for such action. The ASC is not asking for such action.

You requested that the ASC not publish on our Web site our August 14th letter to the Board. We are unable to comply with your request. As required by the Freedom of Information Act, we will make appropriate correspondence with Georgia, including our August 14, 2003 field review letter, available to the public.

Finally, you recommended that the ASC either change ASC Policy Statement 2 or stop funding the Appraisal Foundation. We respectfully remind you that Title XI provides the Appraiser Qualifications Board (“AQB”) with its authority relative to certified real property appraiser criteria regarding education, experience, and examination. The Legal Advisory Group of the Federal Financial Institutions Examination Council found that, for the issues it reviewed, the AQB was acting within its authority. Additionally, the General Accounting Office, in its recent one-year study, failed to identify any AQB actions that were outside its Congressionally-

established authority. Therefore, there is no basis for us to change Policy Statement 2 or to stop funding the Appraisal Foundation.

Again, thank you for your comments. Please contact us if you have any questions.

Sincerely,

Ben Henson
Executive Director

cc: Charles Clark, Commissioner