



**GEORGIA
REAL ESTATE
APPRAISERS BOARD**

Suite 1000
International Tower
229 Peachtree Street, N.E.
Atlanta, Georgia 30303-1605
404-656-3916 Voice
404-656-6650 Fax
Internet www.greab.state.ga.us
E-mail cclark@grec.state.ga.us

MEMBERS

CHARLES B. BRAMLETT
Chair

SANDRA MCALISTER WINTER
Vice Chair

WILLIAM R. COLEMAN
PATRICIA K. LOVE
D. SCOTT MURPHY

STAFF

CHARLES CLARK
Real Estate Commissioner

December 20, 2006

DEC 26 2006

Ben Henson
Executive Director
The Appraisal Subcommittee
2000 K Street - Suite 310
Washington DC 20006

Dear Mr. Henson

The Board noted that you had published your November 28 letter on the ASC web site before 60 days had passed. The Board would appreciate your adding the enclosed letter to that publication immediately.

For the Board

Charles Clark
Real Estate Commissioner

Enclosure



**GEORGIA
REAL ESTATE
APPRAISERS BOARD**

DEC 26 2006

Suite 1000
International Tower
229 Peachtree Street, N.E.
Atlanta, Georgia 30303-1605
404-656-3916 Voice
404-656-6650 Fax
Internet www.greab.state.ga.us
E-mail cclark@grec.state.ga.us

MEMBERS

CHARLES B. BRAMLETT
Chair

SANDRA MCALISTER WINTER
Vice Chair

WILLIAM R. COLEMAN
PATRICIA K. LOVE
D. SCOTT MURPHY

STAFF

CHARLES CLARK
Real Estate Commissioner

December 20,2006

Ben Henson
Executive Director
The Appraisal Subcommittee
2000 K Street - Suite 310
Washington DC 20006

RE: Your letter dated November 28, 2006, regarding The Appraisal Subcommittee's (ASC) Field Review of the Georgia Real Estate Appraisers Board's (GREAB) operations under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (Title XI)

Dear Mr. Henson

Your November 28 letter provides an excellent exposition of the ASC's broad interpretation of the ASC's and the AQB's authority under Title XI. We have heard you make similar powerful presentations over the years. None of those equal the lucidity and forcefulness of your November 28 letter. However, the ASC's operational activities, the internal inconsistency of the ASC's arguments advanced in your letter, and a closer examination of the provisions of Title XI - all lead the reader to the inescapable conclusion that, no matter how well stated, that broad interpretation is neither persuasive nor accurate. Thus, we reaffirm all of the positions and arguments set forth in our letter to Ms. Gibbs.

Solutions

ASC's "Field Review"

As we said in our letter of October 20 to Ms. Gibbs:

We have corrected the minor processing errors the ASC's reviewers noted and will continue to seek to avoid such errors. However, as the attached Exhibits 1-5 demonstrate, the ASC has identified nothing in Georgia's operating policies and laws that conflicts with Title XI.

Page 2
Ben Henson
December 20, 2006

While the arguments in your letter do not change the fact that Georgia is fully compliant with Title XI, in an effort to help the ASC close its paper review, the GREAB:

1. proposes to seek legislative approval (see enclosure) to reduce the reinstatement period for lapsed classifications from 10 years to 5 years so that the ASC no longer needs to try to understand the difference between a "lapsed" classification and an "inactive" one; and
2. has modified its computer programs to prevent the renewal of any classification if the appraiser has undertaken any course of study of US PAP other than the 7 hour course.

The ASC wants the GREAB to adhere to the AQB's "clear prohibitory language" preventing the GREAB from accepting the comprehensive 15 hour USP AP course in lieu of the abbreviated 7 hour course. (That position is not only illogical, it flies in face of the AQB's statement in its criteria that States may adopt more stringent requirements than the AQB sets.) We wonder why the GREAB must adhere to "clear prohibitory language" but the ASC need not do so. For example, the ASC refuses to abide by Title XI's "clear prohibitory language" that it can not set criteria for non-certified appraisers. Yet, it effectively does so by refusing to include on the National Registry licensed appraisers who meet state requirements for classification that are different from those included in the AQB criteria [see 12 USCS § 3345 (e)].

The ASC appears to view the States as simply agents to do its bidding in appraiser regulation. However, the "clear language" of Title XI expressly grants to the States sole authority to set criteria, to classify, and to discipline non-certified appraisers and requires States to classify and to discipline certified appraisers. Thus, it clearly contemplates States as equals, if not dominant, in the appraiser regulatory process. Indeed, the language of Title XI calls appraiser "State Certified," not "Federal Certified" or "AQB Certified," [see USCS § 3345 (e) & § 3346]

3.

Long Term

The GREAB believes that the States and the ASC can resolve most if not all our differing viewpoints if the ASC is willing to change its policies and attitudes toward State regulators and The Appraisal Foundation. As long as ASC policies and operations continue to see State regulators as merely its agents and to perpetuate its cozy relationship with the Appraisal Foundation, the ASC will not be a significant contributor to effective regulation of the appraisal industry. Any federal-state cooperative venture inherently faces difficulties because (a) the agencies involved usually have differing viewpoints on the best way to achieve a particular goal and (b) one authority's pursuit of its prerogatives and responsibilities often leads to unintentional encroachment on the prerogatives and responsibilities of the other authority.

Until the ASC is willing (1) to recognize that federal-state regulation of the appraisal industry must be a joint endeavor among governmental equals and (2) to subject the Appraisal Foundation to effective and thorough governmental review, appraisal regulation will never achieve the effectiveness all parties at interest want.

The GREAB encourages the ASC to consider the proposal in our October 20 letter to Ms. Gibbs. That proposal calls for the ASC to cease its auditing role and to become a positive, active supporter of the front-line appraisal regulators. The ASC need not be a negative counterbalance in appraisal regulation, its brainpower and resources can make a positive difference.

For the Board


Charles Bramlett
Chair


Charles Clark
Real Estate Commissioner