

BENJAMIN J. CAYETANO
GOVERNOR

MAZIE K. HIRONO
LT. GOVERNOR



KATHRYN S. MATAYOSHI
DIRECTOR

GILBERT S. COLOMA-AGARAN
DEPUTY DIRECTOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
1010 RICHARDS STREET
P. O. BOX 541
HONOLULU, HAWAII 96809

OCT - 1 1999

September 27, 1999

Mr Herbert Yolles, Chairman
Appraisal Subcommittee
2000 K Street, NW Suite 310
Washington, DC 20006

Dear Mr. Yolles:

This letter is to transmit the information that is required pursuant to your letter of September 14, 1999, for the Hawaii Real Estate Appraiser Program to comply with Title XI of the Federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Having reviewed the appropriate files, I have enclosed a listing of appraisers who have upgraded to certified status since January 1, 1995 and a list of persons who obtained their certified residential appraiser license after January 1, 1995.

We have indicated by asterisk (*) persons whose files reflect that they have passed a certified residential examination but their passage of such exam was prior to January 1, 1995. We anticipate these individuals will argue that they have taken a certified residential exam, regardless of time period. Therefore, we would like written confirmation that these persons are required to take "the certified residential appraiser examination endorsed by AQB". Due to the uncertainty of this issue, we also request that the 90 day time period to take and pass the AQB certified residential appraiser examination not be imposed on these persons until this issue is resolved. We have notified these persons of the pending problem with their upgrade/license to a certified residential appraiser, of the directive to our department to have persons pass the AQB certified residential appraiser exam, and of our question to you regarding their prior passage of a certified residential appraiser exam. In fairness to these persons, a definitive position is needed, prior to requiring they take the exam.

We have also notified the remaining persons on the lists of the necessity to pass the certified residential appraiser examination endorsed by the AQB by December 16, 1999. However, I must inform you that we have been advised by our Deputy Attorney General that pursuant to chapter 91, Hawaii Revised Statutes (HRS), each appraiser whose license is downgraded on December 17, 1999, has the right to request an administrative hearing to contest the action


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taken against their license. Should an appraiser contest the downgrade of their license, there is a possibility for the hearings officer to rule in favor of the licensee, in which case the certified residential appraiser license would be upheld.

We agree to furnish your Committee with periodic written reports on the progress of this matter and to amend chapter 16-114, Hawaii Administrative Rules (HAR), regarding the examination requirements to upgrade to certified residential appraiser.

Lastly, we will amend chapter 16-114, HAR, to be consistent with chapter 466K, HRS, which requires mandatory licensure for all appraisers, and provide your Committee with a quarterly progress report on this matter.

Thank you for your attention to this matter. I look forward to your response. Should you have any questions, please call Candace Ito at (808) 586-2704.


KATHRYN S. MATAYOSHI
Director

Enclosures