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Appraisal Subcommittee
Federal Financial Institutions Examination Council

May 23, 1997

Mr. Larry M. Bullock
Director
Appraisal Administration
Illinois Office of Banks and Real Estate
500 East Monroe Street, Suite 500
Springfield, IL 62701-1532

Dear Mr. Bullock:

Thank you for your February 20, 1997 response to our January 24, 1997 letter. We are pleased that the National Registry of State Certified and Licensed Appraisers now balances with your records and that you plan to initiate a campaign to encourage reciprocity in the very near future. We also applaud the Illinois Real Estate Appraisal Committee ("Committee") plans to discuss reciprocal licensure with neighboring jurisdictions. To be helpful, we have enclosed a copy of amended statements 5 and 6 of our 1993 Policy Statements Regarding State Certification and Licensing of Real Estate Appraisers. Your review of amended Policy Statement 6: Reciprocity, effective April 23, 1997, should assist the Committee in future discussions. Nevertheless, the core concerns stated in our January letter remain.

We disagree with your decision to seek further legal guidance regarding the equivalency of State appraiser program criteria. While we understand that your appraiser regulation law "restricts reciprocity to those jurisdictions having equal or greater qualifications than our own, every State's appraiser qualification requirements have been audited by us, and all of their certification requirements match or exceed the minimum qualifications criteria of the Appraisal Qualifications Board. We further note that Illinois has not yet entered into a reciprocity agreement with Missouri, despite the fact that the Committee voted last year to enter into such an agreement.

While your stratification of educational course work by curricula is excellent, we remain concerned about whether your fee and approval policies may be stifling opportunities for smaller educational providers. Small providers effectively pay a much higher average fee per course than large providers, which appears to place small providers of appraisal education at a significant financial and competitive disadvantage. Please explain the rationale for this fee structure and provide us with your analysis of course applications, renewals and approvals during the last 12 months.

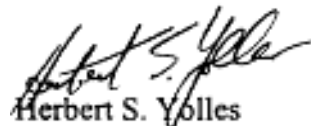
Your appraisal education applications, approvals and denial files appear incomplete. In response to our request for further information concerning the Office of Banks and Real Estate's ("OBRE") course denials, the [redaction] sent us a copy of OBRE's June 27, 1996 approval (on appeal) of Course [redaction]. This approval was not in your office files at the time of our review. [Redaction] also

provided us, at our request, a copy of your June 6, 1995 denial of Course [redaction]. This denial, too, was not in your files and available to us during our field review.

We disagree with your reason for not approving Course [redaction]. In your letter you state that the "course instructional material dealt mainly with environmental testing and not with estimating value . . ." Based on the everyday involvement of all appraisers in environmental matters as related to property value, we urge you to reconsider this decision.

We understand that you will ask the Committee to reconsider its denial of the [redaction] Course [redaction]. At our request, [redaction] gave us a list showing many State appraiser regulatory programs have approved this course. Perhaps Committee members should audit this course before making a final decision. Please respond to these issues within the next 60 days. If you have any questions, do not hesitate to contact us.

Sincerely,



Herbert S. Yolles
Chairman

Enclosure

cc: Jack Schaffer, Commissioner
Office of Banks and Real Estate
Frank Harrison, Chairperson
Real Estate Appraisal Committee