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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

October 17, 2005

Sally Pritchett, Executive Director  
Kansas Real Estate Appraisal Board  
1100 SW Wanamaker Road, Ste. 104  
Topeka, KS 66604

Dear Ms. Pritchett:

This letter responds to your September 19, September 26, and October 5, 2005 letters, and confirms various email exchanges during recent weeks. We will address each item discussed in your correspondence.

- **Examination results that were more than two years old.**

In our May 16, 2005 field review letter, we provided Kansas with a September 1, 2005 deadline for taking certain actions regarding appraisers who had been issued credentials based on examination results that were more than two years old. In your September 19<sup>th</sup> letter, you stated that the Board did not notify the four affected appraisers until September 12<sup>th</sup>, and that the Board was requesting an extension of the September 1<sup>st</sup> deadline until January 1, 2008. (We presume you intended that date to be January 1, 2006.) By email, we notified you that we would extend the deadline until October 1, 2005.

You have informed us that the four appraisers took the appropriate examinations on between September 17<sup>th</sup> and October 1<sup>st</sup>. We understand that three appraisers passed the examinations, and one appraiser failed. We further understand that the appraiser who failed the examination has significant difficulties in taking examinations of any type. He has stated that, because Kansas did not notify him until mid-September, he did not have adequate time to prepare for the examination. Given these circumstances, we are willing to extend the October 1<sup>st</sup> deadline to October 31, 2005.

Should the appraiser not take and pass the appropriate examination by October 31, 2005, the Board must take the actions specified in our May 16, 2005 field review letter. Please notify us of the appraiser's examination results and, if necessary, actions taken by the Board as soon as possible. Also, to fulfill our responsibility under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, to maintain a National Registry of appraisers who are legally eligible to perform appraisals in connection with federally related transactions, if the appraiser has not passed the examination by October 31<sup>st</sup>, we will change his National Registry "AQB Compliant" status on November 1<sup>st</sup> to "No" and his "Status" to "Inactive." We will maintain this status until such time as the Board informs us that the appraiser has passed the examination.

- **Continuing education credit for Board participation.**

You stated that the Board is amending its regulations to accept as continuing education participation in only one Board meeting per credential renewal cycle. As noted in our previous

correspondence, the Appraiser Qualifications Board (“AQB”) has issued for comment an exposure draft of a criteria interpretation regarding this issue. You should be aware that the exposure draft is almost identical to the final language that the AQB is expected to adopt later this month. We strongly encourage you to ensure that any regulatory change regarding continuing education credit for Board participation (particularly for certified appraisers) conforms to the final interpretation issued by the AQB.

- **Other regulatory provisions.**

We understand that the Board is amending its regulations to remove the provisions regarding ACE/Credit and experience credit for teaching. Please send us a copy of the revised regulations, once adopted.

- **Executive, or other, sessions of the Board.**

We are in the process of completing our response to Ms. Nohe’s letter. We will provide that response in the near future.

Again, thank you for your response and your efforts to address our concerns. Please respond to this letter within 30 days from its receipt.

Please contact us if you have further questions.

Sincerely,

Ben Henson  
Executive Director