

LOUISIANA REAL ESTATE APPRAISERS
STATE BOARD OF CERTIFICATION

M. J. "MIKE" FOSTER, JR.
GOVERNOR

September 9, 1997

Mr. Herbert S. Yolles
Chairman
Appraisal Subcommittee
2100 Pennsylvania Avenue, NW
Suite 200
Washington, D.C. 20037

Dear Mr. Yolles:

The following information is provided in response to deficiencies noted in your letter of June 24, 1997 with regard to Louisiana's appraiser certification/enforcement program.

- **Previous on-site review**

One of the recommendations made as a result of your January 1994 on-site review was that we consider providing for a license credential. We supported legislation offered in the 1997 regular legislative session which would have created a licensed appraiser and trainee appraiser category. The legislation also proposed mandatory licensing/certification as opposed to the present voluntary certification. This legislation failed to pass due to lobbying efforts of special interest groups. Since only fiscal matters can be introduced in the 1998 regular session, it will be 1999 before this issue can be addressed again.

- **Enforcement program deficiencies**

Enforcement penalties do not reflect the seriousness of violations

It was recommended that the Board ". . . levy appropriate monetary fines in cases involving the deliberate falsification of data upon which an appraisal valuation estimate was premised.". Please be advised that we do not have the authority to levy fines. This is a matter reserved for the courts, and we feel that our suspension was appropriate.

Serious disciplinary actions are not reported to the ASC

Commission examiners were not familiar with *ASC Policy Statement 9 -Information Sharing*, and were therefore unaware that all suspensions, revocations, and credential surrenders must be expediently reported to the ASC for inclusion in the Registry. Since our meeting this past March with ASC representatives, Ron Peppe and Vicki Ledbetter, this matter has been rectified.

The Board failed to pursue an obvious violation of State law

At the time this occurrence took place, there was no provision in our law authorizing us to refer the matter to the ". . . State attorney general's office, . . .", or in our case, to the district attorney's office. Please note that our certification law has since been amended to provide for such action.

Enforcement records are incomplete and inaccurate

Commission examiners have created and are now maintaining records which will reflect, in chronological order, all pertinent facts regarding complaints received, their identification, and status.

Commission examiners are not trained in USPAP or appraisal methodology

We have requested information from the various appraisal organizations regarding the cost of sending our examiners to a USPAP course. We are also looking into the possibility of holding such a course at the Commission office.. In addition to proving more cost effective, this would enable other staff members involved with the certification program to attend the program.

- **Data and fee submissions to the National Registry of State Certified and Licensed Appraisers ("Registry") have been inconsistent**

To eliminate any future problems with collection and submission of the \$25.00 Registry fee, we will begin, effective January 1, 1998, collecting payment of the Registry fee, concurrent with the two year period for which the certificate is valid.

- **Board educational course content approvals are inconsistent with AQB education requirements**

Upon receipt of your letter dated June 24, 1997, we notified all proprietary real estate school owners that previous approval of portions of the Louisiana Real Estate Commission's Model Sales and Brokerage Curriculum (Real Estate 101, 201, 202 and 203) for precertification credit was immediately being rescinded. A directive was also issued to the proprietary schools advising that under no circumstances were they to combine classes of instruction for real estate prelicensing students and appraiser precertification students.

- **Reciprocity**

We will pursue cooperation by actively seeking reciprocal agreements with adjoining states, and will consider reciprocal agreements with other states when appropriate.

Mr. Yolles
September 9, 1997
Page 3

We appreciate the constructive criticism offered as a result of your on-site review held this past March, and look forward to working with you on appraisal matters relative to the improvement of Louisiana's appraiser certification/enforcement program.

Sincerely,

Logan H. Babin, Jr.
Chairman

JBjr/ahb