



Matt Blunt, Governor
State of Missouri

Alison Craighead, Director
Division of Professional Registration

Gregory A. Steinhoff, Director
Department of Economic Development

MISSOURI REAL ESTATE APPRAISERS COMMISSION

Kristi Wilson

3605 Missouri Boulevard
P.O. Box 1335
Jefferson City, MO 65102-1
573-751-0038
573-526-3489 FAX
800-735-2966 TTY Relay

AUG 04 2005

July 27, 2005

Ben Henson, Executive Director
Appraisal Subcommittee
2000 K Street, NW
Suite 310
Washington, DC 20006

Dear Mr. Benson:

This letter is in response to your May 5, 2005 correspondence regarding various concerns identified by the Appraisal Subcommittee (ASC) during Missouri's appraiser regulatory program field review.

I have provided a response to each of the identified concerns below:

- ***Missouri does not investigate and resolve complaints promptly.***

To address this concern, we are reviewing and altering our current internal process for facilitating the timely resolution of complaints. We are working directly with our Central Investigative Unit (CIU) and the Attorney General's Office to determine ways in which we can make our processes more efficient. We have already identified and are implementing several new changes:

1. When a complaint is received we will obtain as much information as possible on the front end to avoid numerous contacts with the licensee. For example: We will go ahead and ask for the entire appraisal work file along with any other documentation he/she may have.
2. We are also developing a questionnaire for the licensee to fill out in response to the complaint. We are basing our questions on past history of information typically needed by the Commission to make an informed decision. If a question on the form is not applicable to a particular complaint the licensee can respond as such. Here again, we are going to try and get as much information as possible in the beginning so that the Commission can determine more quickly whether or not violations have occurred.
3. We are pursuing legislation this upcoming session that will give the Commission the ability to subpoena documents. This will allow more detailed investigations as the Commission should then be able to obtain records from mortgage brokers, banks, real estate agents and parties to real estate transactions.

4. We are developing procedures for filing anonymous complaints so that such complaints have sufficient detail for the Commission to conduct a meaningful review and investigation. We believe this will reduce the number of frivolous or unsupported complaints that are filed.
5. Senate Bill 177, which becomes effective August 28, 2005, made a change to the statutes governing the process for entering into settlement agreements. The change will allow the Commission to enter into a settlement agreement in a timelier manner if that is the decision of the licensee. It can shorten the process by 30 days.
6. Complaint logs and case status reports will be provided to the ASC on a quarterly basis at the conclusion of each Commission meeting.

I anticipate that these new procedures and proposed changes to our process and law will assist us in meeting the requirements of the ASC Policy Statement 10.

- ***Missouri accepts examinations that do not conform to A QB criteria.***

Please be advised that House Bill 738 was passed by the General Assembly this past session to amend our statutes to reflect that an examination is valid for only two years. This law became effective on July 7, 2005. The two year requirement impacts applicants for both the certification and license. Notices were sent to all applicants for certification in January 2005 and to all applicants for licensure in June 2005 informing them of this change. We have also posted this change as a notice on our website and are sending a similar notice to all education providers asking them to help us inform future applicants.

In regard to the status of the six appraisers the ASC identified as non-compliant, please be advised that they will be notified, by certified mail, within the next week, that the ASC wants a report of whether or not they intend to retake the examination. They will be asked to provide a response to the Commission within 15 days. The notice will advise them that if they do not retake the examination the ASC intends to remove them from the National Registry, thus, restricting them to performing appraisals for non-federally related transactions.

- ***Missouri's policy to accept affidavits in support of credential renewal is inconsistent with ASC Policy Statement 10.***

Based on a conversation with Vicki Ledbetter, it is my understanding that the Commission may continue to allow licensees to attest to the fact that they have obtained the required continuing education as long as we audit at least 10% of our certified licensee population. The Commission has determined that we will randomly audit 15% of the certified population and 15% of the licensed population. We believe this is an acceptable method of validating the continuing education requirements as it is our intention to implement on-line renewal in 2006.

- ***The provisions in Missouri's statutes for waiving or extending continuing education are not consistent with the AQB criteria.***

The Commission will be seeking legislative changes to Section 339.5 19, RSMo, during the upcoming session to remove the waiver for "retired or disabled appraisers". However, the Commission would still like to have the ability to waive continuing education requirements for those individuals serving in the military and for other extreme circumstances approved by the AQB. The Commission is also in the process of promulgating a rule to implement an inactive license status category.

- *Missouri's approval process for education courses needs to ensure that a course conforms to AQB criteria.*

In accordance with your letter of May 5, 2005, it appears that all non-conforming courses have been either revoked or have come into compliance with AQB criteria.

- *Missouri's statutes and regulations do not conform to 2003 AQB criteria changes.*

The Commission is in the process of promulgating rules to reflect the current AQB criteria and to implement the new 2008 AQB criteria. At our July 12 & 13, 2005 meeting, the Commission voted to adopt a variation of the segmented approach to implement the new criteria. We like to refer to this approach as "Firmed". The Commission plans to accept applications for examination from those individuals meeting the current 2003 AQB education criteria until June 30, 2007. Those applicants will then have to pass the examination by December 31, 2007, for their education and examination to qualify under the 2003 criteria. If an applicant does not have the application for examination submitted to the Commission by June 30, 2007 and/or does not pass the examination by December 31, 2007 he/she will be required to meet the new 2008 AQB criteria.

We have a meeting scheduled with the AQB this coming September. A representative from the AQB will be providing an implementation seminar for all of our education providers, Commission members and any other interested states.

In addition to all of the Commission "happenings" I've mentioned above, we are also working on implementing the following:

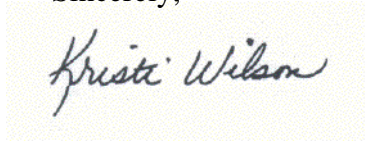
- ❖ Drafting a rule to require all applicants to submit fingerprints for a FBI background check.
- ❖ Drafting a rule that will offer an applicant or licensee the ability to obtain both education and experience credits through case study courses.
- ❖ Because of the upcoming 2008 AQB criteria changes, we will attempt to revise our statutes to allow reciprocity with other states as long as the licensee is current and in good standing with the reciprocal state, the reciprocal state is in good standing with the ASC and the reciprocal state recognizes Missouri certified and licensed appraisers in the same manner.
- ❖ We are developing a job description for an additional staff member to assist us, at a minimum, with complaint handling and audits.

I would like to take this opportunity to thank you for several things first, for granting me an extension in providing this response. I appreciate you giving me the time to read and understand the ASC's concerns so that a response could be appropriately prepared.


Second, thank you for allowing Vicki Ledbetter to spend some time with us. She was a GREAT help in refreshing me on the structure and role of the various federal appraisal regulatory agencies; ASC, AQB, ASB, etc. In addition, it was so helpful to have her explain the upcoming 2008 AQB criteria changes and to talk about the pros and cons of each approach. Having the opportunity for that dialogue face to face brought everything into perspective, thus, the creation of the "firmed" approach.

I hope this response adequately addresses your concerns. If I can provide any additional information or answer any questions please give me call. I look forward to working with you in the future.

Sincerely,

A handwritten signature in black ink that reads "Kristi Wilson". The signature is written in a cursive style and is placed on a light yellow rectangular background.

Kristi Wilson
Executive Director

Cc:  Commission Members
Alison Craighead, Division Director, Division of Professional Registration
Craig Jacobs, Assistant Attorney General