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Appraisal Subcommittee

Federal Financial Institutions Examination Council

November 2, 2005

Kristi Wilson, Executive Director
Missouri Real Estate Appraiser Commission
3605 Missouri Blvd.
Jefferson City, MO 65102-1335

Dear Ms. Wilson:

Thank you for your cooperation and your staff's assistance in our follow-up review of Missouri's real estate appraiser regulatory program ("Program") in Jefferson City, MO, on July 11-12, 2005. Our follow-up review focused on concerns identified in the Appraisal Subcommittee's ("ASC") October 2004 field review. During this follow-up review, we determined that, although the Missouri Real Estate Appraiser Commission ("MREAC") and the Department of Commerce and Economic Development's Division of Professional Registration ("Division") have made some progress, MREAC and the Division failed to implement and/or complete many of the curative actions contained in our November 18, 2004 field review letter. To ensure Missouri's continued efforts to bring the Program into compliance with Title XI, we will retain a 12-month field review schedule, with interim visits as needed. This letter includes consideration of our correspondence exchanges both before and after our follow-up review, and the August 25, 2005 meeting of ASC staff with MREAC and Missouri Attorney General representatives in Jefferson City.

Because the following discussion is complex, we organized it using the bulleted items in our November 18, 2004 field review letter. Under each of those bullets, we first briefly present our findings and conclusions from the November 2004 field review letter. Then, we discuss the status of those items at the time of our July 2005 follow-up review, as updated to the date of this letter. Last, we identify any actions that MREAC needs to take to bring the Program into compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI").

As discussed in more detail below, MREAC and/or the Division need to complete the following actions:

1. Continue providing the ASC with quarterly complaint logs and case status reports;
2. Regarding certified appraisers whose credentials were supported by examination results older than 24-months, provide the ASC, by November 30, 2005, a copy of the letter sent to each appraiser informing the appraiser of his or her loss of eligibility to appraise properties in connection with federally related transactions;
3. In connection with MREAC's audit of continuing education related affidavits, determine the reasons why certified appraisers failed the audit, take appropriate disciplinary action against those appraisers, and report the results of those actions to the ASC;

4. By November 30, 2005, notify the ASC in writing of the status of any certified appraisers who have received waivers or extensions of continuing education requirements under §§339.519, 339.525(5) and (6), and 41.946 of the Missouri Certified and Licensed Real Estate Appraisers Act (“Statute”);
5. By November 30, 2005, for appraisers identified in Step 4 above, take the necessary steps either to downgrade to the licensed level any affected certified appraisers or recall all physical certificates (including pocket cards or similar documents) from these appraisers and issue replacement credentials with the wording “Not Eligible to Appraise Federally Related Transactions” clearly and conspicuously over stamped on the credentials;
6. Initiate amendments to the sections of the Statute identified in Step 4 above to ensure their conformance with the AQB’s certification criteria and Title XI; and
7. Provide the ASC a copy of the proposed rules regarding adoption of the 2008 Appraiser Qualifications Board (“AQB”) criteria changes for our review and comment.

Previous Findings, Current Status, and Necessary Actions

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

Previous Finding: ASC Policy Statement 10 E, among other things, requires States to “ensure that its entire system for processing and investigating complaints and sanctioning appraisers is administered in an effective, consistent, equitable, and well-documented manner.” Moreover, the Policy Statement provides that, “State agencies need to process complaints of appraiser misconduct or wrongdoing on a timely basis. Absent special documented circumstances, final State agency administrative decisions regarding complaints should occur within one year of the complaint filing date.”

Missouri’s complaint investigation and resolution program did not comply with this Policy Statement. We first noted that significant delays existed during our 2001 field review. Following our December 2001 field review letter, MREAC and the Division implemented an electronic system to track each event of the complaint process in a database program called PROMO and created a Complaint/Anonymous Complaint Committee that would meet monthly to reduce the turnaround time for complaints not warranting full MREAC review. Based on our 2004 field review, these two changes were not adequate to offset the increasing number and complexity of complaints. In fact, the situation deteriorated. Following is a summary of complaint information from our 2001 and 2004 field reviews.

Field Review	Complaints received in preceding 3 years	Complaints outstanding	Complaints outstanding more than 1 year
2001	51	28	18
2004	240	98	50

We noted that of the 50 complaints outstanding for more than one year at the time of our 2004 field review, 23 were more than two years old, and three were more than three years old.

To address this situation, the ASC directed MREAC and the Division to:

1. Develop and implement a plan to obtain the necessary resources to investigate and resolve complaints in a timely manner, as provided in ASC Policy Statement 10; and to provide us a copy of the plan within 90 days of receiving the field review letter;
2. Work with the Attorney General's office to identify policies and procedures that would reduce the time it takes the Attorney General's office to process appraiser complaint cases. This should include a prioritization of appraiser cases referred to the Attorney General, based on the seriousness of the identified violations. Please provide a copy of these policies and procedures to the ASC within 90 days of receiving this letter; and
3. Provide the ASC with quarterly complaint logs identifying each open complaint, the date it was received, and its current status.

Based on its February 10, 2005 letter, MREAC failed to comply with these steps. In our May 5th letter, we reiterated the need for MREAC to perform the corrective action steps, with completion by mid-July 2005. The ASC subsequently granted MREAC a time extension until July 30, 2005, in which to complete these steps. The extension was requested and granted because MREAC's Executive Director was replaced during that time period.

Current Status: During the follow-up review and confirmed in its July 27th letter, MREAC stated that it was implementing the following changes regarding its complaint investigation and resolution program:

- Upon receipt of a complaint, MREAC will obtain as much information as possible to reduce the number of contacts with the appraiser;
- MREAC is developing a questionnaire to streamline the appraiser's response;
- MREAC is pursuing legislation in the next legislative session that would broaden MREAC's powers to subpoena documents;
- MREAC is developing procedures regarding anonymous complaints to ensure that they are sufficiently detailed and to enable MREAC to weed out frivolous or unsupported complaints;
- MREAC will be implementing Senate Bill 177, which became effective August 28, 2005. This new law streamlines the settlement agreement process, which could shorten that process as much as 30 days; and
- Complaint logs and case status reports will be provided to the ASC on a quarterly basis at the end of each MREAC meeting.

MREAC staff provided us a complaint log in preparation for the follow-up review. While on site during the follow-up review, we noted that Assistant Attorney General Craig Jacobs added a case-aging report to the case status report provided to MREAC. This new report will enable MREAC and other involved offices to monitor the cases in the Attorney General's Office based on the number of years they have been in process. Also, new Executive Director Kristi Wilson agreed to provide the quarterly complaint logs and case status reports at the conclusion of each of MREAC's quarterly meetings.

Ms. Ledbetter discussed with Executive Director Wilson and Assistant Attorney General Jacobs their preliminary thoughts on how to streamline the existing system. Ms. Wilson stated that she was working directly with the Division's Central Investigative Unit and the Attorney General's Office to determine ways in which it can make its processes more efficient. Judging by

MREAC's July 27th response, those efforts appear to have been productive, at least to the extent of identifying ways to improve the process. Whether those changes, in fact, will result in a more efficient, effective complaint investigation and resolution process remains to be seen.

At the time of our follow-up review, the timeliness of the complaint handling process appears to have improved slightly. As shown below, the number of complaints received annually and complaints outstanding continues to increase, while the percentage of complaints outstanding for more than one year has decreased.

Field Review or Follow-up Review Period	Complaints received during the period	Complaints outstanding	Complaints outstanding more than 1 year
Apr. 1999 – Oct. 2001	51	28	18 (64%)
Oct. 2001 – Oct. 2004	240	98	50 (51%)
Oct. 2004 – Jul. 2005	98	127	48 (38%)

In summary, MREAC and the Division appear to have made some progress towards addressing the deficiencies noted in our November 18, 2004 field review letter. Time will tell whether the new changes outlined above will be effective in curing those deficiencies.

Necessary Action: Continue sending us copies of your quarterly complaint logs and case status reports.

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

Previous Finding: In our November 18, 2004 field review letter, we noted that Missouri issued certified appraiser credentials based on examinations that failed to conform to AQB criteria, which specify that examination results are valid for not more than two years. Section 339.515(3) of Missouri's statute provided that appraiser examination results were valid for three years. We brought this concern to the State's attention in our 2001 field review letter. Missouri, however, issued certified appraiser credentials that failed to conform to AQB criteria and failed to comply with Title XI.

To address this concern, we directed MREAC and the Division to implement a series of actions to identify appraisers and take corrective actions.

MREAC identified 57 affected appraisers and stated that 49 of the 57 appraisers chose to take an acceptable examination. One of the 49 appraisers who retested failed the exam. MREAC requested waivers for each of the eight remaining appraisers based on four different scenarios. The ASC reviewed those requests and, in its May 5th response, exempted two appraisers.

At that time, seven certified appraisers continued to hold credentials based on invalid examination results. In our May 5th letter, we again instructed MREAC and the Division to cure this situation by:

1. Taking the necessary steps to downgrade expeditiously to the licensed level any of these seven certified appraisers who failed to take or to pass the appropriate examination. In

the alternative, MREAC could chose to recall all physical certificates (including pocket cards or similar documents) from the appraisers and issue replacement credentials with the wording “Not Eligible to Appraise Federally Related Transactions” clearly and conspicuously over-stamped on the credentials;

2. Within 30 days of receiving our May 5th letter, notifying the ASC in writing of the choice to be exercised by each of the seven appraisers (*i.e.*, re-take the examination, be downgraded to the licensed classification, or be issued a replacement certified credentials restricted to non-Federally related transactions);
3. Notifying the ASC in writing of the time frames within which each appraiser’s action would be completed; and
4. Informing us in writing when these actions have been completed.

In addition, we instructed MREAC and the Department to:

1. Take immediate action to ensure that the appropriate curative statutory language was introduced in the State legislature as soon as possible;
2. Propose and adopt on an expedited basis, if possible, any regulations and/or policies and procedures necessary to implement the curative legislation; and
3. Keep us informed about the status of the curative legislation and any implementing regulations and/or policies and practices.

Finally, we directed Missouri to refrain from issuing appraiser certifications that fail to conform to AQB criteria and Title XI. We informed the State that “[f]urther issuance of such certificates risks the ASC initiating a non-recognition proceeding under § 1118 of Title XI (12 U.S.C. 3347).” For the reasons stated previously, we extended MREAC’s response deadline to July 30, 2005.

Current Status: On July 6, 2005, the Governor signed into law the statutory amendment to bring the Missouri’s statute into compliance with AQB criteria regarding valid examination results. The new law became effective on July 7, 2005.

MREAC, however, continued to refuse to take necessary corrective action regarding the seven non-complying certified appraisers. In its July 27, 2005 letter, MREAC stated that it would notify the seven appraisers within the week, by certified mail, that the ASC wants a report of whether or not they intend to retake the examination, and that the notice would 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. MREAC issued the letters on August 12, 2005. MREAC, however, did not address the need to either downgrade or overstamp the credentials of these non-complying appraisers.

To resolve this issue, ASC staff requested a meeting with MREAC and Missouri Attorney General representatives. On August 25th, Marc Weinberg, Vicki Ledbetter, and I met with the Missouri representatives. We sought solutions that would achieve our Title XI responsibilities and, at the same time, be acceptable to the State. Ultimately, we agreed to the following:

- For each certified appraiser who did not retake and pass the examination, the ASC would change National Registry to reflect the appraiser’s “AQB Compliant” status as “No” and the credential status as “Inactive;”

- MREAC would issue a letter to each appraiser informing the appraiser of the ASC action and informing the appraiser that he or she was restricted to appraising non-federally related transactions; and
- MREAC would inform each appraiser that, if the appraiser misrepresented his or her eligibility to appraise federally related transactions, that MREAC may take disciplinary action against the appraiser.

The Attorney General representatives preliminarily believed that they could support the above actions under Missouri law. They asked that we allow them some time to research and confirm their beliefs. On September 26th, Marc Weinberg talked with AG representative Craig Jacobs and confirmed that MREAC would be permitted to issue the letter. On September 27th, Executive Director Wilson faxed to the ASC a letter containing the language to be used in the letter to the remaining appraisers.

Based on the latest information we have from MREAC, six certified appraisers continue to hold credentials based on invalid examination results. We have changed the National Registry records for these six appraisers to “No” in the AQB Compliant field, and to “Inactive” in the Status field.

Necessary Action: By November 30, 2005, provide the ASC a copy of the letter sent to each appraiser informing the appraiser of his or her loss of eligibility to appraise properties in connection with federally related transactions.

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

Previous Finding: Missouri accepted affidavits attesting to continuing education from certified appraisers to support their credential renewals. At the time of the November 2004 field review, ASC Policy Statement 10 provided that States, at a minimum, should have a reliable means of validating both the education and experience credit claimed for certification or licensing. It also stated that the lack of routine verification procedures is both an invitation to potential fraud and a threat to the integrity of a State’s appraiser regulatory program. At that time, the ASC found that Missouri did not have a reliable means of validating affidavits.

Until July 2004, MREAC employed an auditor to randomly audit on average 20 renewal applications each month - approximately 12% of Missouri appraisers during a two-year renewal cycle. Since the auditor resigned in July 2004 and had not been replaced as of the date of our field review, Missouri was not auditing applications.

To address this concern, we directed MREAC and the Division to:

1. Within 30 days of receipt of our November field review letter, prepare a listing of all certified appraisers whose credentials were renewed effective June 30, 2004;
2. Within 90 days of receipt of our letter, audit the continuing education claims of at least ten percent of the identified appraisers;
3. Identify appraisers who failed to conform to AQB criteria, take appropriate disciplinary actions against those appraisers, including but not limited to a requirement to obtain the necessary education within a specified time period;

4. Downgrade to the licensed level any certified appraiser who failed to obtain the necessary education; and
5. Comply with ASC Policy Statement 10's new part F, beginning January 1, 2005.

MREAC reported in its February 10, 2005 response that it randomly audited 15% of its appraiser population. Initially, eight appraisers failed to provide evidence of the necessary continuing education. Seven of the eight failed to respond to the audit notice. And, one appraiser completed a National Uniform Standards of Appraisal Practice ("USPAP") course via distance education, which was not acceptable under MREAC rules.

In our May 5th letter, we directed MREAC and the Division to:

1. Within 30 days of receipt of our May 5th letter, notify the ASC in writing of the name, license number, and credential level of the eight appraisers who either failed to respond to the audit notice or did not provide acceptable continuing education;
2. If any of these appraisers were certified:
 - a. Either downgrade them expeditiously to the licensed level or, in the alternative, recall existing credentials and re-issue credentials overstamped with "Not Eligible to Appraise Federally Related Transactions;" and
 - b. Inform us in writing when these steps have been completed; and
3. Comply in all respects with ASC Policy Statement 10 F, effective January 1, 2005.

Subsequently, we extended MREAC's response deadline to July 30, 2005.

Current Status: MREAC voted at its May 2005 meeting to accept the USPAP distance education course taken by one appraiser. The remaining seven appraisers responded to the final notice sent by the Division on May 24th. Two of the seven appraisers failed to document the necessary continuing education and continued to hold credentials without meeting AQB criteria and Title XI requirements. At the time of our follow-up review, the State had taken no action against these two individuals. Division staff informed us that MREAC's Licensing Committee would discuss these two appraisers at its August 10th meeting and probably refer them to the Attorney General's Office for further action. At our August 24th meeting, we learned that the Licensing Committee did not meet, and that the two appraisers would be considered during MREAC's September meeting.

The ASC has changed the "AQB Compliant" field to "No" and the "Status" field to "Inactive" on the National Registry for the two appraisers failing the continuing education audit. The National Registry will reflect this status until Missouri provides documentation supporting a change.

We also note that, in its February 10th response letter, MREAC stated that it had adopted a policy that all appraisers renewing in the future must attached copies of their continuing education certificates. MREAC's July 27th response, however, stated that it now intends to offer on-line renewals in 2006 and will audit 15% of its certified appraisers and 15% of its licensed appraisers to ensure that renewing appraisers have sufficient continuing education. It appears that MREAC will not be requiring all renewing appraisers to attach continuing education certificates. The ASC will be closely monitoring the Program's on-line renewal procedures.

Necessary Action:

1. MREAC and the Division must determine the reason each appraiser failed the audit. If the appraiser failed as a result of a good faith effort, MREAC needs to require the appraiser to obtain the necessary education. If the appraiser falsified his or her application, MREAC and the Division need to address the fact that the appraiser committed a fraudulent act and take more serious disciplinary action; and
 2. MREAC and the Division must report to the ASC the actions taken against each appraiser.
- **The provisions in Missouri's statutes for waiving or extending continuing education are not consistent with AQB criteria.**

Previous Finding: Section 339.519 of Missouri's statute allows MREAC to waive continuing education requirements for retirees, disabled persons, or for any other cause. Section 339.525(2) of the Statute allows MREAC to extend a certified appraiser's credential period for up to six months when the appraiser fails to meet renewal requirements "through mistake, misunderstanding, or circumstances beyond the appraiser's control." Discussions with MREAC and its attorneys also revealed that exemptions had been made for military personnel. AQB criteria do not authorize waivers or extensions for any reasons. During previous field reviews, we cautioned MREAC regarding this issue.

At least three certified appraisers were granted continuing education waivers at least once, possibly twice. These appraisers appeared to be practicing appraisers and had been listed as such on the National Registry. We could not determine whether MREAC granted relief to any appraiser for military service reasons.

To ensure that all certified appraisers meet AQB criteria, we directed MREAC and the Division to:

1. Within 30 days of receipt of our November 2004 field review letter, identify all certified appraisers granted continuing education waivers and/or extensions;
2. Within 60 days of receipt of that letter, contact each identified appraiser and request proof of continuing education hours necessary to conform to AQB criteria and Title XI for the June 30, 2004 renewal cycle;
3. Within 90 days of receipt of that letter, require any appraiser who failed to obtain the necessary education to obtain that education within 60 days;
4. Within 150 days of receipt of that letter, downgrade to the licensed level or inactivate the certificate of any appraiser who failed to respond or fails to obtain the necessary education; and
5. Initiate the necessary procedures to amend these portions of the Statute to comply with Title XI and AQB criteria.

Current Status: Two of the three certified appraisers who had been granted relief under the Statute proved that they had earned sufficient continuing education. The former Executive

Director failed to contact the third appraiser. Division staff contacted this appraiser by telephone during our July follow-up review. The only continuing education he had taken was seven hours of USPAP. Because MREAC had not notified this appraiser previously, we agreed to allow until September 19th for him to show that he had met the AQB's minimum continuing education criteria for certified general appraisers.

In its February 10th letter, MREAC stated that it no longer would grant continuing education waivers or extensions under §§ 339.519 and 339.525(2) of the Statute. In our May 5th letter, we recommended that MREAC formalize this policy change in writing.

MREAC stated that it will continue to conform to § 41.946 of the Statute (which we did not specifically cite in our earlier correspondence with the State). This section exempts persons on active military duty from needing to complete or make up any continuing education regarding their credential. As noted previously, AQB criteria do not authorize such extensions or waivers.

In our May 5th letter, we noted that the AQB issued an exposure draft on this topic, and that we would hold our action in abeyance until the AQB made a final decision on this matter. As proposed, the exposure draft confirmed the AQB's position that continuing education waivers or extensions were not permitted. The draft explained that State agencies with the legal authority to place an appraiser in an "inactive" status may elect to do so if they had a reasonable basis to believe that the continuing education requirement could not be completed due to valid extenuating circumstances. "Inactive" appraisers would be unable to perform appraisals in connection with federally related transactions. The draft also explained that an appraiser who was in "inactive" status must make up all continuing education requirements before being eligible for reactivation.

Missouri did not have an "inactive" classification. MREAC, in its July 27th letter, indicated that it was in the process of promulgating a rule to implement an "inactive" credential status category. This rule change, when adopted, will allow the State to take advantage of the AQB's interpretation, if it is adopted.

In its July 27th letter, MREAC stated that it will be proposing amendments to § 339.519 of Missouri's statute to the State legislature during its next legislative session. The amendment would remove the waiver for "retired or disabled" appraisers. MREAC, however, does not intend to propose amending §§ 339.525(2) and 41.946, stating that MREAC would still like to have the ability to waive continuing education for those individuals serving in the military and for other extreme circumstances approved by the AQB.

In June, the Division received an application that illustrated another inconsistency between Missouri's statute and AQB criteria and Title XI. Paragraph five of § 339.525 allows a person with a credential that expired (lapsed) more than a year after the renewal date to "renew" the credential by completing a certain amount of continuing education and paying the renewal fee and plus a delinquent renewal fee. Paragraph six of the section then provides that the beginning date of the credential issued shall be the day following the expiration of the credential previously held. In short, Missouri would treat the reinstatement of the "old" expired credential as a renewal. Moreover, no lapse of the credential would be reflected because the newly issued credential would begin the date the previous one ended.

This provision poses serious implications. For Title XI purposes, if a credential is not renewed in compliance with AQB criteria, that credential no longer conveys legal authority to appraise in connection with federally related transactions. Backdating the effective date of the “renewed” credential does not change the fact that the credential did not convey Title XI authority during the interim period.

Based on conversations with the staff and Assistant Attorney General Jacobs, the Division’s computer system will not accommodate a back-dated credential. A license or certificate issued to the appraiser under this provision only identifies the expiration date, and the State reports to the ASC for National Registry purposes the appraiser’s effective date, which is the date on which the State issues the renewed credential, not the day after the original lapse of the credential.

Necessary Action: MREAC and the Division need to:

1. Notify the ASC in writing, by November 30, 2005, of the status of any certified appraisers who have received waivers or extensions of continuing education requirements. The information to be provided includes the appraiser’s name, credential number, date of waiver or extension, and the specifics regarding the waiver or extension;
 2. By December 31st, take the necessary steps either to downgrade to the licensed level any certified appraisers identified in step one above, or recall all physical certificates (including pocket cards or similar documents) from these appraisers and issue replacement credentials with the wording “Not Eligible to Appraise Federally Related Transactions” clearly and conspicuously over stamped on the credentials; and
 3. Initiate amendments to §§ 339.519, 339.525(5) and (6), and 41.946 of the Statute to ensure their conformance with the AQB’s certification criteria and Title XI.
- **Missouri’s approval process for education courses needs to ensure that a course conforms to AQB criteria.**

Previous Finding: During the 2004 field review, we identified three continuing education courses approved by MREAC that did not conform to AQB criteria. These were distance education courses that did not have the necessary approval for distance education. While this was a marked improvement from the 2001 review in which we identified 60 nonconforming courses, MREAC still needed to ensure that courses meet AQB criteria.

We directed MREAC to:

1. Within 30 days of receipt of our November 2004 field review letter, determine whether each of the courses discussed during the field review conform to the distance education provisions in AQB criteria;
2. Immediately revoke approval of any course determined not to conform to AQB criteria; and
3. Remain aware of AQB criteria and ensure that non-conforming courses are not approved in the future.

Current Status: Since the field review, the approval for one course expired and the other two courses had been approved through the AQB course approval program. Therefore, all currently approved courses appear appropriate.

Necessary Action: None.

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

Previous Finding: Missouri had not amended its Statute or regulations to adopt the January 1, 2003 AQB criteria changes. In practice, however, MREAC and the Division had implemented these changes.

We encouraged MREAC to initiate amendments to the Statute and/or its regulations to avoid conflicts between law and practice. Further, to avoid similar discrepancies in the future, we reminded MREAC that it should begin to make the necessary statutory and regulatory changes to conform to the January 1, 2008 AQB criteria changes.

In addition, MREAC's regulations on distance education (4 CSR § 245-6.030) no longer conformed to AQB criteria. On December 1, 2003, the AQB removed ACE/Credit from its authorized distance education approval process, effective April 1, 2004. MREAC needed to amend its regulations to remove this reference and to incorporate the International Distance Education Certification Center as the recognized body for approval of delivery mechanisms for distance education courses.

Current Status: While onsite for the follow-up review, Division staff provided ASC staff with a copy of portions of draft regulatory amendments. ASC staff participated in MREAC's discussion regarding these proposals during its July 12th meeting. The proposed changes would address both the 2003 and 2008 AQB criteria changes.

At that meeting, MREAC also decided to implement the 2008 criteria changes using a modified version of the segmented approach authorized by the AQB. Associate General Counsel Jacobs and staff are reviewing the proposals to determine whether additional amendments might be needed to facilitate a new application process. Under this approach, applicants would need to provide proof of the required education by July 1, 2007. Persons meeting both the education and examination components may earn the experience over an indefinite period, but must take the new 2008 examination if they fail to earn sufficient experience within 24 months of examination. Individuals applying after July 1, 2007, or failing to pass the examination prior to January 1, 2008 must meet the 2008 AQB criteria requirements.

Necessary Action: Provide us a copy of the proposed rules for our review and comment, and take steps to adopt those proposals on an expedited basis.

Unless otherwise specified above, please respond to our findings and recommendations within 60 days following the receipt of this letter. Until the expiration of that period or the receipt of your response, we consider this field review to be an open matter. After receiving your response or the expiration of the 60-day response period, whichever is earlier, this letter, your response and any other correspondence between you and the ASC regarding this field review

become releasable to the public under the Freedom of Information Act and will be made available on our Web site.

Please contact us if you have further questions.

Sincerely,

Ben Henson
Executive Director

cc: Sharon Lowman, Chair
Craig Jacobs, Assistant Attorney General
Alison Craighead, Division Director, Professional Registration