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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

August 23, 2006

Kristi Klamet, Executive Director  
Missouri Real Estate Appraisers Commission  
P.O. Box 1335  
Jefferson City, Missouri 65102-1335

Dear Ms. Klamet:

Thank you for your July 25, 2006 letter (and attached proposed statutory and regulatory changes) responding to our June 26, 2006 field review letter. We appreciate the opportunity to review the proposed changes to Chapter 339 of the Missouri Revised Statutes and Title 4, Division 245 of the State's administrative regulations. These proposals, to a large degree, address several of our concerns discussed in prior correspondence and reflect specific changes that we suggested during our May 16-17, 2006 field review of your appraiser regulatory program. We strongly support their prompt adoption.

We reviewed and have no comment on the proposed statutory amendments. We identified only one proposed regulatory provision that appears to conflict with the Appraiser Qualifications Board ("AQB") criteria effective January 1, 2008 ("2008 criteria"). Specifically, proposed 4 CSR § 245-8.010(8) allows time spent as an instructor to count toward fulfilling all or part of the continuing education requirement for renewing licensed and certified appraisers. The 2008 criteria limit the number of continuing education hours allowed for teaching. As stated in the criteria, States may grant "up to one half of an individual's continuing education requirement, for teaching and other types of participation, other than as a student." *Generic Education Criteria, III.G.4.*

In addition, two other regulatory provisions need additional language to fully conform to the 2008 criteria. 4 CSR § 245-3.010 needs to state that qualifying experience must be earned on or after January 30, 1989, and that the experience must be USPAP compliant. *See Generic Experience Criteria, V.E.* Finally, 4 CSR § 245-8.030(5) needs to include language indicating that, for education credit to be awarded for the 15-hour National USPAP Course and the 7-hour National USPAP Update Course, at least one of the course instructors must be an AQB Certified USPAP Instructor who is also a state certified appraiser.

The proposed regulations include one potential conflict with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, ("Title XI") and ASC Policy Statement 5 pertaining to temporary practice. This ASC Policy Statement, among other things, requires States to offer at least one easy extension to a temporary practice permit and that total fees charged for the permit and extension not exceed \$150. Missouri charges \$150 for a six-month temporary practice permit. Under proposed 4 CSR § 245-5.020(2)(J), the State also would charge \$100 as a "six (6)-Month Extension Fee." Nothing would limit application of this fee to the six month extension of a credential's term authorized by § 339.525(2.) RSMo. In other words, a literal reading of the \$100 fee provision would require the State to collect that fee for extending the term of a temporary practice permit for a six-month period. As a result, a

temporary practice permit holder who needed a temporary practice permit extension would be required to pay \$150 and \$100, a total of \$250, in violation of Title XI and ASC Policy Statement 5. Please amend the fee language to ensure that it cannot be interpreted to apply to extensions of temporary practice permits.

Again, thank you again for your letter and your continuing efforts to address our concerns. Please continue to ensure that we receive further drafts of these proposals for our review and provide us copies of the statutory and regulatory changes when they are finally adopted.

Please contact us if you have any questions.

Sincerely,

Ben Henson  
Executive Director