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NORTH CAROLINA APPRAISAL BOARD

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October 5, 2006

Virginia M. Gibbs, Chairman
Appraisal Subcommittee
2000 K Street, NW
Suite 310
Washington, NC 20006

Dear Ms. Gibbs:

Thank you for your letter of September 26, 2006 regarding the field review of the North Carolina Appraisal Board performed in August 2006. You stated that the Appraisal Subcommittee has three areas of concern regarding our program.

The first area involves a North Carolina law that exempts members of the general assembly from our continuing education requirements. One of the two members of the general assembly, [DELETION], has taken all necessary continuing education to be qualified to be listed as Active on the National Registry. The other member, [DELETION], has not taken the required continuing education and is not qualified to be listed as Active on the Registry. Although this situation was brought to our attention in 2003, she was not informed of her disqualification from the Registry until 2004. The Board's prior executive director, Mel Black, and legal counsel, Roberta Ouellette, both left the Appraisal Board on June 23, 2003. A new executive director was not in place until later in 2003, and the letter to [DELETION] was not sent until Ms. Ouellette returned to the Board in 2004. This was an oversight, but it was corrected. [DELETION] was not placed on the Registry in 2005.

During the 2006 renewal cycle, one of our administrative staff left and we were extremely shorthanded in the office. [DELETION] sent in her renewal fee and her National Registry fee, and we inadvertently listed her as Active on the Registry. As you noted in your letter, when this was brought to our attention we immediately wrote to her and refunded her Registry fee. We also sent her a new pocket card that indicates she is not eligible for appraisals in federally related transactions. We also requested that you change her Registry status to inactive.

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We have written to [DELETION], as you requested, to inform her of her options should she decide that she wishes to be placed on the Registry. A copy of that letter is attached. We have already recalled her pocket card and have issued her a new one. We will make sure that her future renewals are carefully monitored to make sure that she is not again inadvertently placed on the Registry.

Your second concern is that the Board has approved online continuing education courses that did not have IDECC approval. During the field review, your staff had given us a list of courses that they believed were not IDECC approved based on a list from IDECC. When we checked with these course providers, we discovered that several of them actually were approved by IDECC, and that the IDECC list was incorrect. In addition, several of the courses on the list given to us by your staff we no longer approved in North Carolina. While your staff was still here, we contacted all of these providers to ascertain their status with IDECC. There were only a couple of courses that were not IDECC approved, and those providers have withdrawn the courses. All of our online courses are now IDECC approved.

In addition, I would point out that at its August meeting, during which your staff was present, the Board voted to begin rulemaking. As part of that rulemaking, our rule regarding online continuing education, 21 NCAC 57B .0603, will be amended to require that "The course design and delivery mechanism for an online course offered on the Internet must have received approval from the International Distance Education Certification Center (IDECC)." Attached you will find a copy of the entire rulemaking. Also, the Board's application form for continuing education courses will require that sponsors state their IDECC approval number for online courses.

As to your third area of concern, we do plan to seek legislation in 2007 to amend our statute to conform to the 2008 AQB criteria. We also plan to institute another rulemaking proceeding to adopt the new criteria. We will keep you informed of our progress.

The Board members and staff understand the tremendous amount of work that goes into a field review. Ms. Ledbetter and Ms. Tidwell were very supportive of our program during their visit, and we appreciated their comments. Please let me know if you have further questions or comments.

Very truly yours,



Earl M. Worsley, Jr.
Chairman of the Board

EMW,Jr.:RO:sf
cc: Philip W. Humphries