

# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

December 13, 1996

Mr. Robert C. Cantwell, Chairman  
North Carolina Appraisal Board  
P.O. Box 20500  
Raleigh, NC 27619-0500

Dear Mr. Cantwell:

This is in response to your October 22, 1996 letter to the Appraisal Subcommittee ("ASC") responding to concerns raised in our August 23, 1996 letter. While most of our concerns were satisfactorily addressed in your response, we would like to clarify two points.

Your response included the statement that North Carolina "looks at equivalence" and does not require appraisers applying for reciprocity to retake the appropriate examination if the earlier exam was passed more than three years prior to their application. We note, however, that during your May 21, 1996 Board meeting (attended by ASC staff), the Board approved a motion requiring a certified general applicant for license by reciprocity to retake the examination. The applicant in question had passed the exam more than three years earlier. Your letter further states that if an applicant passed an examination given by Assessment Systems, Inc. ("ASI") at any time, North Carolina accepts that exam result. The applicant had taken and passed an ASI certified appraiser examination. Please explain why your policy appears not to have been followed in this instance. In any case, all State appraiser licensing and certification examinations and exam providers have been approved by the Appraiser Qualifications Board ("AQB") of the Appraisal Foundation, thereby eliminating the need for States to review examinations for equivalence. Though you likely have a copy, enclosed for your convenience, is the most recent listing of AQB-approved examination providers.

On another issue, we did note that North Carolina prints in the application booklet a scope of practice chart that informs applicants of the scope of practice allowed by financial institutions regulated by the Federal financial institutions regulatory agencies. However, additional restrictions are specified on page 7 of the same application booklet under the General Information section entitled 'Authorized Tasks.' Specifically, the second paragraph states that "although these federal agencies will permit appraisers holding either of the two residential appraiser titles to perform some appraisals of non-residential real estate, appraisers holding these residential appraisal titles in North Carolina are considered by the North Carolina Appraisal Board to have only demonstrated the minimum competence necessary to perform residential appraisals." This statement could create confusion for appraisers both within North Carolina and those applying for temporary practice or reciprocity and was the basis for the comment in our August 23, 1996 letter.

Please feel free to call if you have questions or wish to further discuss these issues.

Sincerely,

Diana L.Garmus  
Chairperson

Enclosure

cc: Mr. A. Melton Black, Jr.  
Executive Director