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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

May 21, 2003

George D. Sinclair, Chair  
Pennsylvania State Board of Certified Real Estate Appraisers  
P.O. Box 2649  
Harrisburg, Pennsylvania 17105-2649

Dear Mr. Sinclair:

Thank you for your cooperation and the Bureau of Professional and Occupational Licensing staff's ("Bureau") assistance in the April 9-10, 2003 Appraisal Subcommittee ("ASC") review of Pennsylvania's appraiser regulatory program ("Program").

Although much of Pennsylvania's Program functions effectively, we identified two areas that need improvement. One area involves Pennsylvania's complaint investigation and resolution program; the other involves regulatory inconsistencies with the Appraiser Qualifications Board ("AQB") Criteria. We communicated our concerns regarding both areas following our previous field review in June 2000.

- **Complaint Investigation and Resolution**

As discussed in our August 2000 field review letter, Pennsylvania's complaint investigation and resolution process is time consuming. While overall timeliness has improved since our previous review, of the 168 complaint cases open at the time of our 2003 review, 115 were more than one year old. We continue to be concerned with the amount of time necessary to resolve many complaint cases. We encourage the Board to continue its efforts to streamline, to the extent possible, the investigation and resolution processes. To allow us to continue monitoring the status of your program, please:

1. Continue to provide the ASC with a quarterly log of all complaint cases; and
2. Explore alternatives to providing the log in an electronic format. Our data processing staff is available to discuss with Bureau staff how to achieve this.

- **Regulatory Inconsistencies with AQB Criteria**

Board rules authorize the Board to accept distance education courses that are not consistent with AQB Criteria. AQB Criteria require distance education to be conducted by an accredited college or university; approved by ACE/CREDIT; or accepted through the AQB Course Approval Program. While the Board has not approved any distance education courses, the Board needs to amend its regulations to conform to AQB Criteria.

Board rules also allow work experience credit to be granted for up to 300 hours of teaching experience. This is inconsistent with AQB Criteria. Again, while the Board has not accepted any experience of this nature, the Board needs to amend its regulations to conform to AQB Criteria.

We understand that revised regulations currently are being drafted to address these inconsistencies. We suggest that the Board submit the proposed revisions to the ASC for review by our general counsel. We would be happy to provide our comments prior to Board action on the proposed revisions. Many States have found this service to be valuable in their rule-making process.

Please respond to our findings and recommendations within 60 days from the date of this letter. Until the expiration of that time 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.

If you have any questions, please contact us.

Sincerely,

Steven D. Fritts  
Chairman