

Appraisal Subcommittee
Federal Financial Institutions Examination Council

September 10, 1996

Mr. Jose L. Muñoz Roure
President
Instituto de Evaluadores de Puerto Rico
Oficina 504-Condominio Condado
Santurce, PR 00907

Dear Mr. Muñoz Roure:

This is in response to your letter of August 23, 1996. You request guidance as to the legal authority of the Appraisal Subcommittee ("ASC") to disapprove the certifications and licenses awarded by State appraiser regulatory agencies, and, you request copies of our correspondence to the Governor of Puerto Rico concerning Bill 271. Finally, you note that the Instituto de Evaluadores de Puerto Rico is interested in working closely with the ASC.

I have enclosed a copy of the ASC's 1995 Annual Report ("Report"). It contains Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("Title XI") in its entirety. In response to your question as to the legal authority of the ASC to take action concerning a State's appraiser certifications and licenses, please note Section 1118(a) (b) and (c) of Title XI on page 38 of the Report. In addition I have enclosed copies of ASC letters to: Dr. Pedro Rosselló, Governor of Puerto Rico; Ms. Zaida Hernandez Torres, Speaker of the House of Puerto Rico; and Senator Rolando A. Silva, all concerning Bill 271.

As you may be aware, ASC representatives met with Ricardo Román, Director of Legal Affairs, Department of State. Teresita Nolla-Vila, Assistant Director, Office of the Governor and Luis E. Vallejo and Henry W. Schettini of the Appraisal Board, on August 22, 1996, in Washington DC. The purpose was to discuss matters relating to the commerce of appraising and in particular to reaffirm the ASC's firm opposition to State law, proposed or actual, which makes membership in an appraisal organization (or college) a mandatory requirement to the practice of appraisal within Puerto Rico.

Your offer to work closely with the ASC in meeting the goals and objectives of Title XI is welcome.

Sincerely,

Ben Henson
Executive Director

Enclosures