

□ □ □ □ □ □

Appraisal Subcommittee

Federal Financial Institutions Examination Council

December 17, 2004

Neena Sinha Savage, Chief of Legal Services
Department of Business Regulation
Office of Legal Counsel
233 Richmond Street, Suite 235
Providence, RI 02903-4237

Dear Ms. Savage:

Thank you for your November 9, 2004 response on behalf of the Rhode Island Department of Business Regulation (“Department”) and the Real Estate Appraisers Board (“Board”) to our August 25th field review letter. In your response, you addressed the three concerns discussed in our letter.

- **The Board has approved continuing education courses that are inconsistent with the Appraiser Qualifications Board (“AQB”) criteria.**

We appreciate the Board’s agreement to review certain real estate-related educational courses for compliance with AQB criteria. While we understand the Board’s position that real estate courses such as, How to List-Sell-Close; How to Market & Advertise Real Estate; Law of Agency; Seller-Assisted Financing; Marketing Finer Homes & Estates; How to Buy & Sell Real Estate at Auction; and Prospecting for Listings might contain beneficial information for appraisers, we are not convinced that they meet AQB criteria. In fact, it has been the ASC’s longstanding position that real estate courses such as these do not meet AQB criteria. Should the Board determine that any of the courses meet AQB criteria, the Board will need to submit a written request to the AQB to obtain AQB concurrence. Please notify us of the findings of the Board’s review. Also, if the Board submits a request to the AQB, please provide us a copy of the letter.

- **Board regulations permit continuing education credit that does not conform to AQB criteria.**

Board regulations provide that an appraiser may receive up to one hour of continuing education credit for attending a Board meeting, provided that the meeting for which credit is sought was at least one hour long. The regulations allow appraisers to obtain a maximum of 12 hours of continuing education credit per year by attending Board meetings. You informed us that only Board members have requested and received continuing education credit under this provision. You explained that this regulation is intended, in part, to compensate Board members for their work on the Board and to take into account the varied areas of support provided by Board members. You asked that we allow Rhode Island to continue this regulatory provision, and you stated that the Board would be willing to restrict its use to Board members only.

The ASC is not authorized to permit the Department to recognize continuing education for certified appraiser credentials that does not conform to AQB criteria. Based on the letter

provided by the AQB, the education in question does not conform. If the Board wishes to pursue this matter, the Board should direct its request to the AQB. We will abide by the AQB's decision. Please be advised that, unless the AQB approves the continuing education, Rhode Island appraisers, including Board members, will be able to claim continuing education to support renewing certified credentials only as discussed in our field review letter and the AQB letter. If the Board decides to petition the AQB, please provide us a copy of the letter.

- **Rhode Island had several complaint cases and related enforcement actions that had been outstanding for more than one year.**

We are pleased that two of the six outstanding enforcement cases that were more than one year old are completed, and that you anticipate resolving the other cases within the next 60 days. While we recognize that the State may have limited resources for complaint investigation and resolution, the State should strive to resolve all complaints promptly as provided in ASC Policy Statement 10.

If you have any questions, please contact us.

Sincerely,

Ben Henson
Executive Director

cc: Mr. Peter M. Scotti, Chairperson, Real Estate Appraisers Board
Valerie Voccio, Program Administrator, Real Estate Appraisers Board