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Appraisal Subcommittee

Federal Financial Institutions Examination Council

BY FAX

January 5, 2001

Stephanie Chivers, Assistant Commissioner
Division of Regulatory Boards
Department of Commerce and Insurance
500 James Robertson Parkway, 2nd Floor
Nashville, TN 37243

Dear Ms. Chivers:

The Appraisal Subcommittee (“ASC”) staff has reviewed the Tennessee Real Estate Appraiser Commission’s statute concerning temporary practice permits. The statute as it is currently stated is inconsistent with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, (“Title XI”) and ASC Policy Statement 5 governing temporary practice. Title XI, as implemented by Policy Statement 5, among other things, requires States:

- To issue temporary practice permits for at least a six-month period;
- To award temporary practice permits on an assignment, rather than on a single property parcel, basis; and
- To provide temporary practitioners with an effortless method of obtaining an extension of the six-month time period.

Tennessee’s statute, in our view, is inconsistent with these requirements. It limits the scope of a temporary practice permit to a single specific parcel of real estate, and, for multiple property temporary practice permits, limits their duration to a sixty-day period. Finally, the statute does not provide temporary practitioners with an effortless way to obtain an effortless method of extending of time to complete the assignment.

As you know, if the statute is not amended to comply with Title XI and ASC Policy Statement 5, the ASC may initiate a nonrecognition proceeding against Tennessee. That proceeding could result in the nationwide rejection, *i.e.*, nonrecognition, of all licenses and certificates of Tennessee real estate appraisers in all federally related transactions and in real estate related financial transactions of the Federal Housing Administration, FannieMae, and FreddieMac.

Please let me know if I may provide any additional assistance in connection with amending Tennessee's current statute.

Sincerely,

Marc Weinberg
Acting Executive Director &
General Counsel

cc: Sandy Moore, Administrative Director
Tennessee Real Estate Appraiser Commission