



TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

Mail: P.O. Box 12188, Austin, Texas 78711-2188 • Street Address: 1101 Camino La Costa, Austin, Texas 78752
Phone: (512) 465-3950 • Fax: (512) 465-3953 • E-mail: info@talcb.state.tx.us • Web site: http://www.talcb.state.tx.us

Debra S. Runyan
Chair
Appraiser Member
San Antonio

August 24, 2000

AUG 24

James M. Synatzske
Vice-Chair
Appraiser Member
Stephenville

Mr. Thomas E. Watson, Jr. Chairman
Appraisal Subcommittee, FFIEC
2000 K Street N.W., Suite 310
Washington, D.C. 20006

Jacqueline Humphrey
Secretary
Public Member
Amarillo

Re: Review letter dated June 26, 2000

Benjamin E. Barnett
Appraiser Member
Dallas

Dear Mr. Watson:

Elroy Carson
Public Member
Lubbock

Thank you and your staff for the prompt written response regarding the recent review of the Texas Appraiser Licensing and Certification Board (TALCB) program. We appreciate the thoroughness and professionalism that Ben Henson and Vicki Ledbetter exhibited in performing the TALCB review.

David Gloier
Ex-officio Member
Executive Secretary
Veterans Land Board
Austin

We are very pleased that the ASC has noted the progress made in the TALC13 operations, particularly in the enforcement area, and has commended us for it.

Eduardo A. Lopez
Public Member
Corpus Christi

The TALCB has carefully reviewed and considered the various Appraisal Subcommittee (ASC) findings and recommendations:

- **Temporary Practice Restrictions.** The Board must initiate the necessary actions to conform Texas' temporary practice provisions to Title XI and ASC Policy Statement 5.

L. W. (Wayne) Mayo
Appraiser Member
Richardson

TALCB Response:

R. A. (Pete) Seale, Jr.
Public Member
Houston

The intent of the ASC's Policy Statement 5 is to make Temporary Practice "nonburdensome." Without changes to our Act, we believe we can make the extension of Non-Resident Temporary Practice less burdensome and virtually effortless through Rule changes. These changes include an "automatic" 150 day extension of the original 60 days, at no fee, through a faxed one page form. The blank extension form will be included with the original registration when issued to the non-resident appraiser.

Renil C. Linér
Commissioner

The ASC should note that the TALC13 was one of the first states to accept and process the AARO national "Non Resident Appraiser Application for Temporary Practice" which can be downloaded from the AARO web site. We also were one of the first states to use and rely on the ASC's "License History" pages in lieu of a written "License History" or "Letter of Good Standing" issued by a state

regulatory agency. We have made a priority to process the non-resident temporary practice registrations and extensions.

It also should be noted that in the nine-year history of the TALCB only two extensions for non-resident temporary practice registration (for FRT) have been requested; both were handled expeditiously.

We believe that with the planned changes, the TALCB will meet the intent and purpose of the Title XI.

• **Continuing Education.** To address these concerns, the Board needs to:

1. Amend its statute and/or regulations to eliminate the automatic approval of educational offerings by "national appraisal organizations."

TALCB Response:

Section 14(b) of our Act provides that the "board shall accept as continuing education any educational offering that complies with the guidelines recognized by the Appraisal Subcommittee [AQB criteria] [emphasis added] that a licensed or certified appraiser was awarded by a national appraiser organization approved by the board as a provider of qualifying appraisal education." Changes to the Rules and procedures can clarify this provision by assuring that the continuing education offerings comply with the AQB criteria. The TALC13 also approves "as continuing education any education offering that complies with the guidelines recognized by the Appraisal Subcommittee [AQB criteria]" for other educational providers, be they proprietary schools, colleges or universities, or other entities.

Again, the ASC should note that "national appraiser organizations" are not limited to "sponsors" of the Appraisal Foundation. The TALCB has, in fact, approved courses for national appraiser organizations who were not sponsors. The Board also has denied approval of courses/seminars from national appraiser organizations, including TAF sponsors, when the subject matter did not comply with the AQB criteria.

In the past, we may have misinterpreted the provision to make a virtual "automatic" approval of national appraisal organizations' courses. We will, however, rectify this.

2. Review all courses approved under the "automatic approval of national appraisal organizations" approach and all approved distance education courses for consistency with AQ13 criteria, withdrawing approval if necessary.

TALCB Response:

All the "distance education" courses which currently are approved have been reviewed for compliance with the AQB's criteria. None were found to be inconsistent with that criteria.

The error in approving four distance education courses from an appraiser association was immediately rectified and the approval was rescinded, before the first course was offered.

All courses from all providers--appraiser associations, proprietary schools, colleges and universities--must meet the AQB criteria. We are in the process of reviewing all courses from national appraiser organizations which have been approved to determine compliance with the AQB criteria. A random sample, so far, has uncovered no courses which should have been denied.

3. In the future, ensure that all continuing education courses meet AQB criteria.

TALCB Response:

We will make that determination for all submitted courses.

- **Experience Audits.** The Board needs to implement consistently its statutory "5% audit authority" to verify appraiser experience claimed on licensing and certification applications. In addition, the Board should explore ways to increase the number of audits performed to result in a statistically meaningful sample.

TALCB Response:

We have implemented procedures for the regular and timely audits of the experience of applicants as provided in our Act. We realize that under the time pressures for staff, the experience audits had fallen off and we will remedy that. The backlog will be audited. We believe that a five percent random audit will be statistically valid and accomplish the intended goals.

- **Provisional Licensing.** We will continue to monitor this classification [Provisional License], particularly regarding the number of appraisers and the frequency of complaints, to ensure the classification is meaningful.

TALCB Response:

The TALCB is continually monitoring the Provisional License category. To date no

Appraisal Subcommittee
August 24, 2000
Page 4

complaint has been filed against a person holding a Provisional License. The 26 Provisional Licensed individuals make up a very small portion (less than %2 of 1 %) of the 5,203 regulated individuals (4,113 certified and licensed real estate appraisers and 1,090 authorized appraiser trainees).

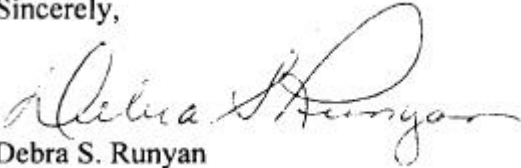
Since 1939 a state license has been required to legally appraise real property in Texas, or otherwise be exempted by law. In a state which is as large geographically as Texas, with large underpopulated areas, a provision is necessary to allow entry into the appraisal profession when a certified appraiser may not be available to sponsor an authorized Appraiser Trainee. The Provisional License serves this purpose.

We appreciate the ASC's input and observations. The ASC's review of the Texas program will help us make the TALCB more effective and efficient in carrying out its responsibilities under both state and federal law and guidelines. We want Texas to be an outstanding program. As the ASC review has recognized, we have a history of doing all we can to comply with the ASC's concerns and issues.

The Texas Appraiser Licensing and Certification Board believes that we can successfully address the ASC's concerns through Rule, policy or procedure changes. We therefore are scheduling a "Rule Review Workshop" for the Board in September. The Board determined that it will not be necessary to open our Act during the biennial 77th Texas Legislature (January 9 - May 28, 2001).

If you have any questions or comments, please do not hesitate to contact me or Commissioner Linér.

Sincerely,



Debra S. Runyan
Chair

Copy: Ben Henson, Executive Director
Renil C. Linér, Commissioner