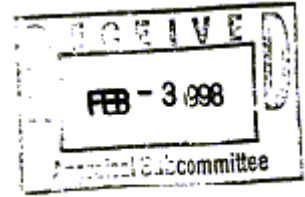




STATE OF WASHINGTON
DEPARTMENT OF LICENSING
PO Box 9020 • Olympia, Washington 98507-9020



January 29, 1998

Mr. Herbert S. Yolles
Chairman
Appraisal Subcommittee
[Deletion] Avenue NW
Suite 200
Washington
, DC 20037

Dear Mr. Yolles:

Thank you for your letter concerning the review by the Appraisal Subcommittee (ASC) of our real estate appraiser licensing and certification program. We were happy to have the opportunity to meet Ben Henson and renew our acquaintance with Ron Peppe. We will certainly miss Ron, he has been very helpful to the state regulatory agencies as we progressed through the startup process.

We understand that the ASC desires to have all state's temporary practice policies comply with the ASC Policy Statement 5 it issued. We have not experienced any problems with our temporary practice policy. To comply with the requirements of the ASC Policy Statement 5, we will be working to revise our temporary practice policies as they relate to the length of each permit. It will require a change in our law to be able to change the present ninety day limit to a six month limit and extension.

Our legislature meets every year, however the length of the sessions are limited alternating between long 90 day and short 60 day sessions. This year is a short session and the more important bills dealing with the state of the state have priority. The Department will make every effort to get a sponsor for the amendment to our law this session. The amendment will be made as soon as possible.

The procedures we presently have for processing an application for a temporary practice permit is completed in an expeditious manner and in most cases the permit is issued within five to seven working days. The Department's fiscal policy requires that all moneys received for applications must first be validated on the application by the Fiscal Management Division. The validation number is required before the application can be input into the system to generate the temporary practice permit. When the validation information is received by the Real Estate Appraiser Section, the process takes only two days to get the permit in the mail.

t

Herbert S. Yolles
January 29, 1998
Page 2

We will continue to pursue reciprocity with other states and will enter written agreements wherever possible. We will try again to enter into a reciprocal agreement with Idaho. As you were advised, we have made several attempts to reach an agreement with Idaho without success.

With the continued erosion of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (Title XI), fewer appraisers are renewing their licenses. With the threshold for requiring licensed or certified appraisers being raised to \$250,000.00 for residential properties and \$1,000,000.00 for non residential properties the need for licensed/certified appraisers has declined.

Because the regulated financial institutions, are being permitted by federal regulatory agencies to rely on evaluations, for financial decisions, that may, but are not required to conform to the USPAP. This action has reduced the requirement to use licensed or certified appraisers, whose appraisals must conform to the requirements of the USPAP. The qualifications of individuals performing evaluations are uncertain. The reduction in the use of licensed or certified appraisers has caused individuals to seek other employment and this loss has had an enormous impact on our revenue. We will continue our attempt to attend as many national or regional conferences as possible.

If you have any questions please do not hesitate to contact us.

Sincerely,


Cleotis Borner, Jr

Program Manager
Real Estate Appraiser Section
P.O. Box 9015
Olympia, WA 98507-9015
(360) 753-1062