

# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

October 24, 1997

Mr. Cleotis Borner  
Program Manager  
Department of Licensing, Appraiser Section  
P.O. Box 9015  
Olympia, WA 98507-9015

Dear Mr. Borner:

Thank you for your cooperation and the Appraiser Section staff's assistance in our August 67, 1997 review of the Washington Department of Licensing ("Department") appraiser regulatory program ("Program"). We appreciate the changes you made, or have initiated, in the Department's program following our 1993 field review. We realize that these changes required amendments to statutes and regulations and that such changes are time consuming and not easily accomplished.

As a result of our current review, we have determined that the following changes are needed to improve your program and bring it into full compliance with the requirements of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("Title XI").

- **The Department must revise its temporary practice policies.**

At present, Washington's statute and regulations limit temporary practice permits to ninety days and specify that temporary practice permits are not renewable. Additionally, Department policy and operational practices require that all applications, including temporary practice applications, first must be processed through your finance section prior to action by the Appraiser section. Clearance by the finance section adds several days to the total processing time for temporary practice applications.

Title XI required the Appraisal Subcommittee ("ASC") to identify burdensome policies and practices that adversely impact an appraiser's ability to obtain a temporary practice permit to perform appraisals in a State. We solicited public comment regarding this issue, published draft policies for comment in 1996 and issued a revised Policy Statement on April 23, 1997. The revised ASC Policy Statement 5 regarding Temporary Practice attempted to balance the needs of all parties. After evaluating the comments, we determined that restricting a temporary practice permit to less than six months, failure to provide an effortless method of obtaining an extension, and taking more than five business days to issue a temporary practice permit, or to reject the application, are burdensome requirements and not acceptable. Based on our review, your program does not comply with Policy Statement 5. Therefore, you must initiate the necessary actions to amend your statute and regulations to provide temporary practice permits for not less than six months and to provide an effortless method of obtaining an extension. Additionally, you need to shorten the overall time it takes to process a temporary practice application. Although the Appraiser Section processes these applications expeditiously (usually within one or two days), the additional time involved in processing the financial side of the transaction through the Department's finance section causes overall processing to exceed five business days. You need

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to implement policies and procedures that enable you to take action on a completed temporary practice application within five business days of its receipt.

- **Washington does not have written reciprocity with all adjacent States.**

We are aware of your hard work in achieving a written reciprocal certification and licensure agreement with Oregon. Resolution of the "residency" issue with the Washington Attorney General's Office, which enabled the agreement with Oregon, should facilitate negotiations with other States. In particular, we urge you to pursue reciprocity with other close or neighboring States such as California and Idaho.

- **It appears that the Department and the Appraiser Section do not receive adequate funding for training and educational purposes.**

It is our understanding that, due to budgetary constraints and Department policy, program administrators, Advisory Committee members and your investigator are unable to attend national and regional appraiser-related conferences (particularly those conducted by us and by other State appraiser regulatory organizations). We believe that the training and the exchange of ideas and solutions that occur at these meetings are very beneficial to State appraiser regulatory officials. Additionally, Washington's appraisal program is one of the better programs in the country. Washington's participation in national and regional appraiser-related conferences could help raise the level of other State programs. We encourage you to attempt to obtain adequate budgetary funding for Department and Appraiser Section staff and Advisory Committee members to attend these conferences.

Please respond to this letter within the next 60 days. If you have any questions regarding these matters, please do not hesitate to contact us.

Sincerely,

Herbert S. Yolles  
Chairman