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Governor

State of Wisconsin \ DEPARTMENT OF REGULATION & LICENSING

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Acting Secretary

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March 9, 2001

SENT BY FACSIMILE TO (202) 872-7501

THOMAS E WATSON JR
CHAIRMAN APPRAISAL SUBCOMMITTEE
FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL
2000 K STREET NW
SUITE 310
WASHINGTON DC 20006

RE: Wisconsin Field Audit

Dear Mr. Watson:

I am writing in response to the observations and recommendations made by the Appraisal Subcommittee to the Wisconsin Department of Regulation and Licensing and the Real Estate Appraisers Board after reviewing the state's regulation of real estate appraisers in October 2000.

It was indeed a pleasure meeting and working with your staff again. We appreciate the opportunity to comment on your observations about Wisconsin's regulation of real estate appraisers and recommendations relating to how we can improve the regulatory process. Our response to your observations and recommendations are noted below.

I. Wisconsin needs to implement a process to validate education claimed on appraiser licensing and certification applications.

The Department's mission continues to be the protection of the health, safety and welfare of the citizenry of Wisconsin. One of the ways in which the Department carries out its mission is to assure that only qualified individuals are granted real estate appraiser credentials. This objective is accomplished, in part, by requiring individuals to complete qualifying and continuing education course work.

Regulatory Boards

Accounting, Architects, Landscape Architects, Professional Engineers, Designers and Land Surveyors; Professional Geologists, Hydrologists and Soil Scientists; Auctioneer, Barbering and Cosmetology, Chiropractic, Controlled Substances, Dentistry, Dietitians, Funeral Directors, Hearing and Speech, Medical Nursing, Nursing Home Administrator, Optometry, Pharmacy, Physical Therapists, Podiatry, Psychology, Real Estate, Real Estate Appraisers, Social Workers, Marriage and Family Therapists and Professional Counselors, and Veterinary.

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(A) Qualifying Education

The observations noted in the audit report indicate the Department accepts affidavits attesting to education, require applicants to list on the affidavits the courses taken for pre-licensing or pre-certification and does not audit claimed education. These three procedures reflect the Department's current procedures. However, the observation noted in the audit report indicating that the Department does not require applicants to provide supporting documentation, such as course completion certificates, does not reflect the Department's current procedure.

Currently, an individual who applies for a real estate appraiser credential must complete an application that includes an affidavit attesting to the validity of the information provided in the application. An applicant is required to list, on the application form, the courses taken to satisfy the educational requirements set forth in ch. RL 84, Code, and to submit copies of transcripts or certificates of completion for each course listed. Upon receipt of an application; the Department staff reviews the application and supporting documentation to verify that the course work claimed has been completed.

(B) Continuing Education

Currently, in order to renew a real estate appraiser credential, appraisers must sign a certification stating they have completed 28 hours of continuing education. Because of the number of credential holders involved, more than 2,000, the Department does not require the submission of certificates of completion for the course work reported and does not audit the course work to verify compliance.

As you recommended, in the future the Department will conduct random audits of renewal applications for purposes of verifying that credential holders have completed the course work claimed on their applications.

II. Wisconsin awards education credit for substantially similar courses.

It is likely on occasion we award credit for substantially similar courses as part of qualifying education. Candidates receive credit for course work identified in Wis. Adm. Code ss. 84.02, 84.03 and 84.04..

In the future, we will monitor your concern more closely. We will be exploring ways to identify courses similar in nature, to avoid awarding credit for substantially similar courses. We will develop a system for identifying courses not repetitive in nature and representing a progression of course work in which the appraiser's knowledge is increased.

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Thank you for the opportunity to respond to the Appraisal Subcommittee's observations and recommendations. We would like to commend your staff, Vicki Ledbetter and Kathryn Gearheard, for their professional assistance in helping us improve the Wisconsin Real Estate Appraisers regulatory program.

Respectfully,

Alfred J. Hall Jr. Director

Alfred J. Hall Jr., Director Bureau of Business and Design Professions
on Behalf of the Wisconsin Department of Regulation and Licensing
and the Real Estate Appraisers Board
608-266-3423

cc: Original to Be Sent By Overnight Courier
Deputy Secretary William Conway - --
Wisconsin Real Estate Appraisers Board
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[FOOTNOTE OMITTED]

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