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Appraisal Subcommittee
Federal Financial Institutions Examination Council

October 31, 2007

Mike McGee, Deputy Director
Mississippi Real Estate Appraiser
Licensing and Certification Board
2506 Lakeland Drive, Suite 300
Flowood, MS 39232

Dear Mr. McGee:

This letter responds to your July 3, 2007 letter and confirms discussions between Appraisal Policy Manager Vicki Ledbetter and several members of the Mississippi Real Estate Appraiser Licensing and Certification Board ("Board") and its staff that occurred on September 29, 2007 in Washington, DC.

In the ASC's June 27th field review letter, the ASC stated that the Board approved qualifying, distance, and USPAP education courses that failed to conform to AQB criteria in several respects. Mississippi's approved course listing included 15-hour and 7-hour USPAP courses that were not AQB National USPAP courses or their equivalents, and those courses were not taught by an AQB-certified USPAP instructor who holds a State certified appraiser credential. In addition, not all approved online and correspondence courses had their delivery methods approved by the International Distance Education Certification Center ("IDECC"). Finally, the Board approved some non-real property related appraisal courses for qualifying education.

To cure our concerns, the ASC instructed the Board to take the following steps:

1. By July 27, 2007, review **all** approved education courses to ensure conformance to AQB criteria and rescind approval for any courses that do not conform. And, provide ASC staff with a listing of all courses with notations for each course regarding the results of the Board review;
2. By August 13, 2007, identify all appraisers who received initial or renewed credentials based on a 15-hour or 7-hour USPAP course that did not conform to AQB criteria, as discussed above;
3. By August 13, 2007, for each appraiser who did not have acceptable USPAP education to support the credential or renewal granted, notify him/her in writing of the number of hours of unacceptable education and that he/she must take the necessary education within 60 days of the notice. NOTE: This "make up" education cannot be used to meet the requirements for another continuing education cycle;
4. By October 22, 2007, determine which appraisers failed to earn the necessary hours of education:

- a. For certified appraisers, either promptly downgrade the appraisers to a non-certified classification or recall their certifications and reissue them over stamped with the phrase, "Not Eligible to Appraise Federally Related Transactions." Appraisers choosing over stamped credentials will be removed from the National Registry; and
 - b. For licensed appraisers, report the appraisers as "non-AQB compliant" in the State's monthly National Registry data submissions; and
5. By November 1, 2007, provide the ASC with a spreadsheet identifying:
- a. Each appraiser identified as having non-conforming USPAP education in Step 2;
 - b. The results of each appraiser's education audit, including the number of unacceptable hours of education, if any;
 - c. Whether the appraiser has taken any necessary "make up" education; and what disciplinary action, if any, is being taken against each non-compliant appraiser.

During your September 29, 2007 conversations with Ms. Ledbetter, we learned that you had completed only Step One above.

In your July 3rd letter, you asked if it was the ASC's contention that the Board, in January 2005, renewed USPAP courses first approved in, for example, January 1999, without ensuring that the courses contained revisions to the text or course materials to comply with the USPAP version in effect at the time of renewal. As noted above, this was not the ASC's contention. The AQB's certification criteria require applicants and renewing appraisers to complete a 15-hour National USPAP course or a 7-hour National USPAP Update course or their equivalents, as the case may be. (Mississippi law requires licensed appraisers to comply with these provisions.) The National USPAP courses consist of the proper course materials, and qualifying or continuing education may only be awarded when the class is instructed by an AQB Certified USPAP instructor who is a State certified appraiser.

To cure this deficiency, the Board needs to take Steps two through five above within the following time frames: Steps Two and Three – by November 7, 2007; Step Four – by January 11, 2008; and Step Five – by January 18, 2008.

Please contact us if you have any questions.

Sincerely,

Ben Henson
Executive Director