



NORTH CAROLINA APPRAISAL BOARD

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AUG - 4

July 31, 2003

Steven D. Fritts, Chairman
Appraisal Subcommittee
2000 K Street, Suite 310

Dear Mr. Fritts:

The North Carolina Appraisal Board has reviewed your letter of June ¹⁶~~30~~, 2003 communicating the results of the Appraisal Subcommittee's review of North Carolina's real estate appraiser regulatory program. The Board would like to acknowledge and compliment the professional manner of the two representatives from the Appraisal Subcommittee who conducted this review. Based on your review most aspects of our program function effectively and are in compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended. You mentioned two areas of concern, which the Appraisal Board wishes to address.

Your first concern is that it appears the Appraisal Board issued certified credentials for appraisers who did not meet AQB requirements for continuing education. This concern is based on a North Carolina law that provides that members of the General Assembly are exempt from continuing education requirements during their term of office.

The Appraisal Board was surprised that you raised this issue at all. This law has been in effect since 1994, and never been mentioned during prior ASC reviews of our program. Nevertheless, the Appraisal Board understands your concerns and plans to address them in the following manner. In the short term, the two members of the General Assembly who have not provided proof that they have complied with AQB continuing education requirements will be contacted and informed that they cannot be included on the National Registry unless they provide proof that they have completed the required continuing education. The Appraisal Board will consider requesting a change to the statute at the appropriate time.

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Your second concern is that the credentials issued by the Appraisal Board to appraisers who opt not to perform appraisals in federally related transactions do not clearly disclose this fact. It is true that the Appraisal Board agreed in 1995 to overstamp the appraiser's pocket card with the caption "not eligible for appraisals in connection with federally related transactions". Based on this agreement and ASC Policy Statement 8, the Appraisal Board will, in the future, place a notice on appropriate pocket cards stating "Not Eligible to Appraise Federally Related Transactions".

We take pride in our program and work hard to maintain our excellent reputation. I trust this response adequately addresses your concerns and if you have any questions, please contact us.

Very truly yours,

/J. Vance Thompson
Chairman

JVT/kg