ACTION: Notice.

SUMMARY: This notice amends the notice of a major disaster for the State of Indiana, (FEMA–1165–DR), dated March 6 1997, and related determinations.

EFFECTIVE DATE: April 14, 1997.

FOR FURTHER INFORMATION CONTACT: Magda Ruiz, Response and Recovery Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646–3260.

SUPPLEMENTARY INFORMATION: The notice of a major disaster for the State of Indiana, is hereby amended to include the following areas among those areas determined to have been adversely affected by the catastrophe declared a major disaster by the President in his declaration of March 6, 1997:

Vanderburgh and Warrick Counties for Categories C through G under the Public Assistance program (already designated for Individual Assistance, Hazard Mitigation, and Categories A and B under the Public Assistance program).

(Catalog of Federal Domestic Assistance No. 83.516, Disaster Assistance.)

Dennis H. Kwiatkowski,

Deputy Associate Director, Response and Recovery Directorate.

[FR Doc. 97–10521 Filed 4–22–97; 8:45 am]

BILLING CODE 6718–02–P

FEDERAL EMERGENCY MANAGEMENT AGENCY

[FEMA–1175–DR]

Minnesota; Amendment to Notice of a Major Disaster Declaration

AGENCY: Federal Emergency Management Agency (FEMA).

ACTION: Notice.

SUMMARY: This notice amends the notice of a major disaster for the State of Minnesota, (FEMA–1175–DR), dated April 8, 1997, and related determinations.

EFFECTIVE DATE: April 15, 1997.

FOR FURTHER INFORMATION CONTACT: Magda Ruiz, Response and Recovery Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646–3260.

SUPPLEMENTARY INFORMATION: The notice of a major disaster for the State of Minnesota, is hereby amended to include the following areas among those areas determined to have been adversely affected by the catastrophe declared a major disaster by the President in his declaration of April 8, 1997:

The counties of Aitkin, Anoka, Becker, Blue Earth, Carver, Dakota, Goodhue, Grant, Hennepin, Houston, Kandiyohi, Lake of the Woods, Le Sueur, Lincoln, Mahnomen, Morrison, Nicollet, Ramsey, Redwood, Renville, Scott, Sibley, Stevens, Wabasha, and Winona for Individual Assistance, Categories A and B under the Public Assistance program and Hazard Mitigation.

(Catalog of Federal Domestic Assistance No. 83.516, Disaster Assistance)

Dennis H. Kwiatkowski,

Deputy Associate Director, Response and Recovery Directorate.

[FR Doc. 97–10520 Filed 4–22–97; 8:45 am]

BILLING CODE 6718–02–P

FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL

[Docket No. AS96–1]

Appraisal Subcommittee; Appraisal Policy; Temporary Practice and Reciprocity

AGENCY: Appraisal Subcommittee, Federal Financial Institutions Examination Council.

ACTION: Adoption of amended policy statements.

SUMMARY: The Appraisal Subcommittee (''ASC'') of the Federal Financial Institutions Examination Council is amending Statements 5 and 6 of the ASC's August 4, 1993*Policy Statements Regarding State Certification and Licensing of Real Estate Appraisers* which, respectively, discussed temporary practice and reciprocity. Amended Statements 5 and 6 implement section 315 of the Riegle Community Development and Regulatory Improvement Act of 1994 (''CDRIA'').

EFFECTIVE DATE: Immediately.

FOR FURTHER INFORMATION CONTACT: Ben Henson, Executive Director, or Marc L. Weinberg, General Counsel, at (202) 634–6520, via Internet e-mail at benh1@asc.gov and marcw1@asc.gov, respectively, or by U.S. Mail at Appraisal Subcommittee, 2100 Pennsylvania Avenue, N.W., Suite 200, Washington, D.C. 20037.

SUPPLEMENTARY INFORMATION:

I. Statutory basis

Since January 1, 1993, Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (''Title XI''), as amended,[1] has required all federally regulated financial institutions to use State licensed or certified real estate appraisers, as appropriate, to perform appraisals in federally related transactions.*See* § 1119(a) of Title XI, 12 U.S.C. 3348(a). In response to Title XI, each State, territory and the District of Columbia (''State'') has established a regulatory program for certifying, licensing and supervising real estate appraisers. In turn, the ASC has been monitoring State programs to ensure their compliance with Title XI.

While Title XI authorizes each State to certify, license and supervise real estate appraisers within its jurisdiction, the Title also provides a means for appraisers licensed or certified in one State to practice on a temporary basis in another State. Section 1122(a)(1) of Title XI, 12 U.S.C. 3351(a)(1), specifically requires ''[a] State appraiser certifying or licensing agency [(''State agency'') to] recognize on a temporary basis the certification or license of an appraiser issued by another State if—(A) the property to be appraised is part of a federally related transaction, (B) the appraiser's business is of a temporary nature, and (C) the appraiser registers with the appraiser certifying or licensing agency in the State of temporary practice.''

Reciprocity provides appraisers certified or licensed in one State with a means to practice in another State on a permanent basis. While Title XI, until recently, did not specifically mention reciprocity, the ASC encouraged States to enter into reciprocal appraiser licensing and certification agreements and arrangements.

In September 1994, Section 315 of CDRIA, Pub. L. 103–325, 108 Stat. 2160, 2222 (1994), amended Section 1122(a) of Title XI by adding new subparagraph (2) (12 U.S.C. 3351(a)(2)) pertaining to temporary practice and new paragraph (b) (12 U.S.C. 3351(b)) regarding reciprocity:

(2) *Fees for temporary practice.* A State appraiser certifying or licensing agency shall not impose excessive fees or burdensome requirements, as determined by the Appraisal Subcommittee, for temporary practice under this subsection.

* * * * *

(b) *Reciprocity.* The Appraisal Subcommittee shall encourage the States to develop reciprocity agreements that readily authorize appraisers who are licensed or certified in one State (and who are in good standing with their State appraiser certifying or licensing agency) to perform appraisals in other States.

The Senate Report to accompany S. 1275, issued on October 28, 1994, by the

[1] Pub. L. 101–73, 103 Stat. 183 (1989), as amended by Pub. L. 102–233, 105 Stat. 1792 (1991), Pub. L. 102–242, 105 Stat. 2386 (1991), Pub. L. 102–550, 106 Stat. 3672 (1992), Pub. L. 102–485, 106 Stat. 2771 (1992), Pub. L. 103–325, 108 Stat. 2222 (1994); and Pub. L. 104–208, 110 Stat. 2009 (1996).

Senate Committee on Banking, Housing, and Urban Affairs, said:

The Committee's intent is to enable qualified appraisers to practice in a number of States without anticompetitive restrictions. S. Rep. No. 103–169, 103d Cong., 2d Sess. 53 (1994), *reprinted in* 1994 U.S. Code Cong. & Admin. News 1937.

Using this statement and the wording of the amendments, we can define the ambiguous terms, ''excessive fees'' or ''burdensome requirements,'' in new § 1122(a)(2) and can interpret how they fit into the ASC's existing enforcement powers in Title XI. We also may determine the meaning and application of new paragraph (b) regarding reciprocity. The paragraph's language, however, limits the ASC's range of interpretation because it only requires us to ''encourage'' the States to develop reciprocity agreements.

II. Prior ASC Implementation Actions

A. The September 1995 Notice Soliciting Comment

On September 12, 1995, the ASC published a notice in the **Federal Register** soliciting public comments on how it should implement § 315 of CDRIA. *See* 60 FR 47365. This notice, among other things, described Statements 5 and 6 of the ASC's August 4, 1993 *Policy Statements Regarding State Certification and Licensing of Real Estate Appraisers* (''1993 Policies''), which respectively discussed temporary practice and reciprocity, described the then-current status of temporary practice and reciprocity and presented several alternatives for discussion and comment. Temporary practice and reciprocity alternatives included the ''universal drivers license.'' For details regarding the alternatives, *see* 60 FR 47365 (September 12, 1995). We additionally requested comments on all aspects of implementing the new legislation and welcomed variations or combinations of the discussed alternatives or other alternatives. Finally, we asked the following questions.

(1) In your view, what are the most serious impediments to temporary practice or reciprocity? Please provide your best estimates of their costs in time and money, if possible.

(2) Do you believe that these impediments warrant ASC action?

(3) Are any of the alternatives presented * * * especially well suited to removing the impediments, and what are your reasons for your choice?

(4) Do other alternatives exist? If so, please describe them.

We received 46 comment letters in response to the Notice: 24 from individual appraisers; eight from trade associations; six from State agencies; five from financial institutions; two from individual real estate professionals; and one from a Federal agency.

The commenters agreed that serious impediments to temporary practice and reciprocity exist, and that those impediments warrant our action. In connection with temporary practice, the comments noted that the most significant impediments were: the need for an out-of-State appraiser to obtain, and pay for, a ''letter of good standing''; the need for States to obtain from out-of-State appraisers signed consent to local service forms; short time limits on the length of permits; the inability to receive extensions of time on permits; the granting of permits on a per property or time basis, rather than on a per assignment basis; and a general ''protectionist'' attitude on the part of some State agencies. Respecting reciprocity, the commenters pointed to the widespread lack of uniformity in State agency-approved education courses for initial certification or licensing and for continuing education purposes and the significant length of time often needed by States to process applications for certification or licensing by reciprocity.

Most commenters supported adoption of the drivers license approach to temporary practice and reciprocity. Adopting this approach, however, would necessarily require us to pre-empt conflicting State statutes, regulations and practices. We concluded that pre-emption would be inappropriate.

B. The October 21, 1996 Proposed Policy Statement (''Proposal'')

The ASC published for public comment a proposed policy statement entitled, *Policy Statement Respecting Temporary Practice and Reciprocity,* in the October 21, 1996 edition of the **Federal Register** (61 FR 54645). In connection with temporary practice, the Proposal stated that we may consider the following fees, acts and practices of the State of temporary practice to be ''excessive fees'' or ''burdensome requirements'' under § 1122(b)(2) of Title XI (12 U.S.C. 3351(b)):

- Prohibiting temporary practice;
- Requiring temporary practitioners to obtain a permanent certification or license in the State of temporary practice;
- Taking more than five business days to issue a temporary practice permit (if issuance is required under State law) or to provide effective notice to the out-of-State appraiser regarding his or her temporary practice request;
- Requiring out-of-State appraisers requesting temporary practice to satisfy the host State's appraiser qualification requirements for certification which exceed the minimum required criteria for certification adopted by the Appraiser Qualifications Board (''AQB'');
- Imposing a time frame on out-of-State certified appraisers to complete an appraisal assignment in a federally related transaction;
- Limiting out-of-State certified appraisers to a single temporary practice permit per calendar year;
- Requiring temporary practitioners to affiliate with an in-State certified or licensed appraiser;
- Failing to take regulatory responsibility for a visiting appraiser's unethical, incompetent or fraudulent practices performed while within the State; and
- Charging temporary practice fees that impede temporary practice. The ASC will consider fees of $150 or less as reasonable. The ASC may ask State agencies to justify temporary practice fees.

We also stated that we may consider fees, acts and practices of the certified or licensed appraiser's home State to be ''excessive fees'' or ''burdensome requirements'' if the home State delays, or otherwise impedes, an appraiser from obtaining a temporary practice permit in another State. For example, the practice of delaying the issuance of a written ''letter of good standing'' or similar document for more than five business days after the home State agency's receipt of the related request could be a ''burdensome requirement.''

Finally, we indicated that the above listing would not be exclusive. The ASC may find other excessive fees or burdensome practices while performing its State agency monitoring functions.

To help avoid such an occurrence, we presented for discussion a ''post card'' temporary practice registration form which would: (1) identify the appraiser requesting temporary practice; (2) provide the starting date the appraiser will be ''in-State''; (3) obtain affirmations that the appraiser currently is not subject to any appraiser certification or licensure disciplinary proceeding in any State, and that his or her license or certificate is fully valid; and (4) obtain the appraiser's consent to service in the State of temporary practice. For details, *see* 61 FR at 54647.

Regarding reciprocity, we noted that, pursuant to § 1122(b) of Title XI, 12 U.S.C. 3347(b), each State should work expeditiously and conscientiously with

other States with a view toward satisfying the purposes of the statutory language. We stated our intention to monitor each State's progress and encourage States to work out issues and difficulties whenever appropriate. We also specifically encouraged States to enter into reciprocal agreements that, at a minimum, contain the following features:

- Accomplish reciprocity with at least all contiguous States. For States not sharing geographically contiguous borders with any other State, such as Alaska and Hawaii, those States should enter into reciprocity agreements with States that certify or license appraisers who perform a significant number of appraisals in the non-contiguous States;
- Eliminate the use of letters of good standing or similar documents;
- Readily accept other States' certifications and licenses without reexamining applicants' underlying education and experience, provided that the other State: (1) has appraiser qualification criteria that meet the minimum standards for certification and licensure as adopted by the AQB; and (2) uses appraiser certification or licensing examinations that are AQB endorsed;
- Eliminate retesting, provided that the applicant has passed the appropriate AQB-endorsed appraiser certification and licensing examinations in the appraiser's home State;
- Recognize and accept successfully completed continuing education courses taken to qualify for license or certification renewal in the appraiser's home State; and
- Establish reciprocal licensing or certification fees identical in amount to the corresponding fees for in-State appraisers.

We stated that, if adopted, the Proposal would amend and supersede our earlier guidance respecting temporary practice and reciprocity in ''Policy Statements 5 and 6 of the 1993 Policies.''

III. Analysis of Comments Received

Twenty-four comments were received from ten individual States agencies; an association of State agencies; two individual real estate appraisers; two appraiser professional associations; four individual financial institutions; one financial institutions trade association; one national accounting firm; and three individual appraisers from one Federal agency.

All commenters agreed in principle with the overall goals of Title XI to remove excessive temporary practice fees and burdensome requirements and to encourage reciprocity. Indeed, no one disagreed that the following were burdens on temporary practice: prohibiting temporary practice; requiring temporary practitioners to obtain a permanent certification or license in the State of temporary practice; requiring temporary practitioners to affiliate with an in-State certified or licensed appraiser; limiting out-of-State certified appraisers to a single temporary practice permit per calendar year; and failing to take regulatory responsibility for a visiting appraiser's unethical, incompetent or fraudulent practices performed while within the State. In addition, the commenters agreed with our proposals to encourage reciprocity, except with respect to the proposal to eliminate the use of letters of good standing or similar documents, as discussed below.

The commenters fell into two broad camps. The State agencies emphasized their duties to protect the public from illegal fraudulent and negligent professional practitioners and argued for more flexibility in administering their temporary practice and reciprocity programs. On the other hand, financial institutions, their trade associations, the appraisers and their professional organizations and the other commenters generally desired the removal of all State restrictions on temporary practice and reciprocity. Most stated their continuing support of the drivers license approach, even though we clearly rejected that alternative in the Proposal.

A. Proposal to Eliminate the Use of Letters of Good Standing

Commenters clearly stated their opinion that the use of letters of good standing or similar documents must be allowed for reciprocity purposes, at least until we provide State agencies, financial institutions and other interested members of the public with an easy, reliable method of verifying State certification and licensure, such as placing the ASC's National Registry of State Certified and Licensed Appraisers (''Registry'') on the Internet. The State agencies noted their responsibility to protect the public by insuring that appraisers with suspended or revoked licenses, or who have been disciplined in other States, are not permitted to cross State lines and continue to practice. Therefore, the proposal to eliminate letters of good standing for reciprocity purposes is being dropped from immediate consideration. The ASC currently is working towards placing the Registry on the Internet. Once that is accomplished, we will revisit this issue.

B. ''Postcard'' Temporary Practice Registration Procedure

State agency commenters unanimously opposed the suggested postcard temporary practice registration procedure. They noted that such a procedure will result in administrative difficulties and would be a major obstacle to taking regulatory responsibility for visiting certified or licensed appraisers. The self-affirmation aspect of the suggested procedure would be especially troublesome because appraisers who are currently the subject of disciplinary action would not be the best source of information concerning their certification or licensure status. Upon further consideration, we agree with the commenters and withdraw our suggestion.

C. Taking More Than Five Business Days to Issue a Temporary Practice Permit or to Provide Effective Notice to the Out-of-State Appraiser Regarding His or Her Temporary Practice Request

Most of the State agencies commented that five business days would seem to be an acceptable time frame for processing temporary practice requests. Many of those commenters noted, however, that the time frame should start running only after the requesting appraiser has completed the submission of his or her paperwork to the State agency. We agree with these comments and have modified the adopted policy accordingly.

One State agency noted that it probably could not meet such a short processing deadline in all cases because of limited staff resources and the State law requirement that it check every request for a license or permit against another in-State department's database of persons failing to make child support payments. The commenter suggested that we analyze each State's temporary practice processing times, determine medians and 95% probability intervals nationwide and target States whose response times fall outside of the 95% range.

We remind State agencies that the five-day processing time period is a policy, *i.e.*, a guideline for measuring compliance; it is not law. We will be applying this policy, as well as the others, in a flexible manner, taking into consideration all pertinent facts. For example, if a State agency receives a complete request for a temporary practice permit and makes a good faith effort to process the request within five business days, but cannot because of a delay resulting from the need to comply with other provisions of State law, then we would view the State agency in

substantial compliance with the five business day processing policy. The State agency also will need to take appropriate steps to inform the requesting appraiser about the delay and to provide the appraiser with a realistic estimate of when processing will be completed.

D. Imposing a Time Frame on Out-of-State Certified Appraisers to Complete an Appraisal Assignment in a Federally Related Transaction

Several commenters did not understand why setting a deadline for completing an appraisal assignment would be burdensome because most assignments are completed in less than a month. They indicated that, to regulate appraisers effectively, State agencies must have the flexibility to set their own policies concerning temporary practice either using realistic time limits or by the listing of appraisal assignments or properties.

We agree in part with this statement in that States must have the flexibility to set their own policies concerning temporary practice. And, we understand State agencies' concerns about administering and justifying to resident appraisers a temporary practice program which issues temporary practice permits for an indefinite duration. On the other hand, the need for State agency flexibility is offset by Title XI, which not only created the right to temporary practice, but also required the ASC to ensure that the right to temporary practice not be unreasonably hindered by excessive fees or burdensome requirements.

We have learned through our State agency oversight program that many State agencies limit the time frame of their temporary practice permits and provide temporary practitioners with a method of extending permit periods. We have not objected to these features, provided that the period limitation is not less than six-months and the method of extending a permit's time frame is easy. We, therefore, are adopting policy language consistent with these comments. The new policy prohibits State agencies from limiting temporary practice permits to less than six months. It also prohibits State agencies from failing to provide temporary practitioners with at least one extension of time, sufficient to complete the assignment, which will be effective upon receipt of a written request by the State agency, provided that the request includes the appraiser's reasons for the extension.

The new policy does not conflict with our previous policies regarding the meaning of the terms, ''temporary'' and ''assignment,'' as used in Title XI. In industry practice, an assignment means a contractual obligation to appraise one or more specific parcels of real estate. And, an assignment, by its very nature, is of finite duration and, therefore, ''temporary.'' Therefore, even if a temporary practice permit is valid for six months after issuance, its validity ends when the assignment is completed or at the end of the six month period (including any extension period), whichever occurs first.

We also recognize that, at some point, an appraiser may be abusing his or her right to temporary practice to the detriment of the State agency's ability to regulate its appraiser population effectively and fairly. For example, a State agency could determine that an assignment to appraise all commercial properties within a county or other significant political subdivision within the State could be an abusive practice and refuse to issue a temporary practice permit to the requesting appraiser. In this case, a State agency could determine that the proposed appraisal activity does not qualify as ''temporary,'' as that term is commonly understood and used in Title XI.

E. Requiring Out-of-State Appraisers Requesting Temporary Practice to Satisfy Host State Appraiser Qualification Requirements for Certification That Exceed AQB Qualification Criteria

Some commenters recommended that out-of-State appraisers seeking to exercise their temporary practice rights should be treated in exactly the same manner as resident appraisers, and, if the State has adopted higher minimum requirements for appraiser licensing or certification, then the out-of-State appraisers should meet the State's higher requirements. Any other result would be unfair to the State's resident appraisers.

While we understand the commenters' concerns, we disagree. Title XI's specific right to temporary practice for all certified or licensed appraisers when performing appraisals in connection with federally related transactions was intended by Congress to ensure that users of appraisal services have quick access to needed appraisal expertise, even if the expert is located out-of-State. Title XI's temporary practice provision struck a balance between the desirability of maintaining a free flow of appraisal expertise across State lines and the legitimate need for State appraiser regulators to oversee appraisal activity within their respective States. To require out-of-State appraisers requesting temporary practice to comply with unique State qualification requirements clearly would be inconsistent with the intent of Congress.

F. Failing To Take Regulatory Responsibility for A Visiting Appraiser's Unethical, Incompetent or Fraudulent Practices Performed While Within the State

Two comments were received regarding this proposal. The first commenter noted that it was not aware of any instance where a host State failed to take appropriate action and suggested that we initiate Federal legislation to provide for Federal investigation and prosecution. The commenter also stated that investigatory and disciplinary actions that can be taken in temporary practice situations are limited.

In exercising its oversight responsibility over State agencies, the ASC has become aware of instances where host States either failed to take regulatory responsibility for the actions of temporary practitioners or were confused about their regulatory obligations in those circumstances. In response, we issued Statement 10: Enforcement in our 1993 Policies. This policy, in part, stated that the State agency in the State of temporary practice needs to follow up on any complaints regarding the temporary practicing appraiser's appraisal activities within the State. If appropriate, the host State agency should begin a disciplinary proceeding against the appraiser for violations occurring in its jurisdiction and should not just forward the complaint for follow up to the State agency in the appraiser's home State. We also stated our expectations that the home State agency would honor the findings and judgment of the State agency in the State of temporary practice and would take appropriate disciplinary action against the appraiser.

We understand that the State of temporary practice is somewhat limited in responding to unlawful activity of temporary practitioners. We continue to expect that the appraiser's home State agency will grant full faith and credit to any findings and orders from disciplinary proceedings in the host State and will take appropriate action.

The second commenter suggested adding language to further clarify State agency regulatory obligations. The new language would require a host State agency to forward copies of available evidence and disciplinary actions against a visiting appraiser acting under a temporary practice permit to the appraiser's home State agency and would require the home State agency to

take appropriate disciplinary action when one of its certified or licensed appraisers are disciplined by another State for improper practice under a temporary practice permit. We agree that these clarifications will assist users of appraisal services, State agencies and appraisers by spelling out the roles of each State agency in cases of shared interests. Therefore, we are adopting them.

G. Charging Temporary Practice Fees That Impede Temporary Practice

The ASC will consider fees of $150 or less as reasonable. The ASC may ask State agencies to justify temporary practice fees.

We received three comments regarding temporary practice fees. The first commenter suggested that temporary practitioners should compensate the State agency on the same basis as the in-State appraisers. The commenter saw no reason why an appraiser should work from three months to a year within a State, cause the State to incur processing and monitoring costs, and possibly responding to complaints, without paying their fair share of fees. In sum, in-State appraisers should not subsidize out-of-State temporary appraisers. The second commenter noted that $150 is little enough to begin an investigation and falls far short of paying the investigator, let alone fees for an expert witness and prosecuting attorney. The commenter concluded that the temporary practice fee should be no less than the fee paid by resident appraisers. The final commenter suggested changes in the policy's wording which did not significantly affect the policy's substance.

We agree that temporary practitioners should be required to pay a fair fee to exercise their temporary practice rights, and that the fee generally should be based on costs. We believe, however, that, as discussed above, temporary practitioners have special status under Title XI which requires them to be treated somewhat differently than home State appraisers. Provided that an appraiser's certificate or license is in good standing in his or her home State and the appraiser pays the appropriate fee, a host State agency essentially is required by Title XI to issue the temporary practice permit. The State agency does not review the appraiser's appraisal education or experience, and no significant staff resources are expended.

In addition, we disagree with the commenter's statements regarding relative compliance costs. Temporary practitioners are within the State for a relatively short amount of time and are authorized to perform only a limited number of appraisal assignments. In addition, we understand that the number of appraisals performed by out-of-State certified and licensed appraisers under temporary practice permits is very small when compared to the number of appraisals performed by resident State certified and licensed appraisers. To force temporary practitioners to share a State agency's costs on the same basis as resident appraisers, in all likelihood, would cause temporary practice fees to jump to prohibitory levels, which would be unacceptable under Title XI. And, while a $150 or less temporary practice fee will do little to offset the costs of taking disciplinary action against a temporary practitioner, the same would be true, perhaps to a slightly lesser degree, with respect to application and renewal fees submitted by resident appraisers. In the end, because every State must provide the right to temporary practice and must comply with Title XI compliance requirements, temporary practice compliance costs should even out.

We note that the proposed policy essentially incorporated an existing ASC policy that has been applied consistently during the ASC's State agency on-site review program. In numerous field review letters to State agencies during the last three years, we have noted when States were charging $100 or more for a temporary practice permit and have requested them to justify the fee level. We are increasing this threshold to over $150, on the basis of empirical data gathered in our State agency oversight program.

We, therefore, are adopting the policy as proposed.

IV. Form of Policy Amendments

Rather than issuing a separate, new policy statement, both amending and superseding Policy Statements 5 and 6 of the 1993 Policies, we decided to restate and amend Statements 5 and 6. Retaining the original format and keeping all ASC guidance regarding temporary practice and reciprocity in one place should facilitate the readability and comprehension of the amended policies.

V. Effective Date

We are adopting amended Statements 5 and 6 effective immediately. We, however, recognize that a number of States and their State agencies may require additional time to comply with them. The ASC expects those States and State agencies to attain full compliance within one year from the date this document is published in the **Federal Register**. If a State or State agency believes that it cannot meet this deadline, it must notify the ASC immediately. The notification must be in writing and must include the specific reasons for the request, the period of time requested and a definitive plan to accomplish compliance within the requested extension period. We will consider each request on a case-by-case basis.

VI. Conclusion

On the basis of the foregoing, the ASC adopts the *Amended Policy Statements Respecting Temporary Practice and Reciprocity*, attached as Appendix A, to be effective immediately, subject to the conditions discussed above.

Dated: April 16, 1997.

By the Appraisal Subcommittee.

Herbert S. Yolles,

Chairman.

Appendix A—Amended Policy Statements Respecting Temporary Practice and Reciprocity

April 23, 1997.

This document amends Appraisal Subcommittee (''ASC'') Policy Statements 5 and 6, which the ASC adopted in August 1993. The changes to these Policy Statements implement amendments to Section 1122(a) of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989. The amendments added subparagraph (2) (12 U.S.C. 3351(a)(2)) pertaining to temporary practice and paragraph (b) (12 U.S.C. 3351(b)) regrading reciprocity, which state:

(2) *Fees for temporary practice.* A State appraiser certifying or licensing agency shall not impose excessive fees or burdensome requirements, as determined by the Appraisal Subcommittee, for temporary practice under this subsection.

* * * * *

(b) *Reciprocity.* The Appraisal Subcommittee shall encourage the States to develop reciprocity agreements that readily authorize appraisers who are licensed or certified in one State (and who are in good standing with their State appraiser certifying or licensing agency) to perform appraisals in other States.

Policy Statements 5 and 6, as amended, follow:

Statement 5: Temporary Practice

Title XI requires a State agency to recognize on a temporary basis the certification or license of an appraiser from another State provided: (1) The property to be appraised is part of a

federally related transaction; (2) the appraiser's business is of a temporary nature; and (3) the appraiser registers with the State appraiser regulatory agency in the State of temporary practice. Thus, a certified or licensed appraiser from State A, who has an assignment concerning a federally related transaction in State B, has a statutory right to enter State B, register with the State agency in State B and perform the assignment. Title XI does not require State B to offer temporary practice to persons who are not certified or licensed appraisers, including appraiser assistants not under the direct supervision of an appraiser certified or licensed in State A. An out-of-State certified or licensed appraiser should register for temporary practice before beginning to perform an appraisal assignment in connection with a federally related transaction.

The ASC believes the ''temporary'' is best measured by one or more specific appraisal assignments. For temporary practice purposes, the ASC regards the term ''assignment'' as meaning one or more real estate appraisals and written appraisal reports which are covered by a contract to provide an appraisal.

Title XI also states that a State appraiser certifying or licensing agency shall not impose excessive fees or burdensome requirements, as determined by the ASC, for temporary practice. The ASC considers the following fees, acts and practices of the State of temporary practice to be ''excessive fees'' or ''burdensome requirements'':

- Prohibiting temporary practice;
- Requiring temporary practitioners to obtain a permanent certification or license in the State of temporary practice;
- Taking more than five business days (after receipt of a complete temporary practice registration request) to issue a temporary practice permit (if issuance is required under State law) or to provide effective notice to the out-of-State appraiser regarding the status of his or her temporary practice request;
- Requiring out-of-State appraisers requesting temporary practice to satisfy the host State's appraiser qualification requirements for certification which exceed the minimum required criteria for certification adopted by the Appraiser Qualifications Board (''AQB'');

Limiting the valid time period of a temporary practice permit to less than six months after its issuance date or not providing a temporary practitioner with an effortless method of obtaining an extension of the time period;

- Limiting out-of-State certified appraisers to a single temporary practice permit per calendar year;
- Requiring temporary practitioners to affiliate with an in-State certified or licensed appraiser;
- Failing to take regulatory responsibility for a visiting appraiser's unethical, incompetent or fraudulent practices performed while within the State;
- After taking disciplinary action against a visiting appraiser, failing to forward copies of available evidence and final disciplinary orders promptly to the appraiser's home State agency; and
- Charging a temporary practice fee exceeding $150.

In addition, the ASC will consider the following fees, acts and practices of the certified or licensed appraiser's home State to be excessive or burdensome:

- Delaying the issuance of a written ''letter of good standing'' or similar document for more than five business days after the home State agency's receipt of the related request; and
- Failing to take appropriate disciplinary action when one of its certified or licensed appraisers is disciplined by another State agency for unethical, incompetent or fraudulent practices under a temporary practice permit.

This listing is not exclusive. The ASC may find other excessive fees or burdensome practices while performing its State agency monitoring functions.

An out-of-State certified or licensed appraiser must comply with the host State's real estate appraisal statutes and regulations. Each appraiser who receives temporary practice registration is subject to the State's full regulatory jurisdiction and is governed by the State's statutes and regulations respecting appraiser certification or licensing. However, the out-of-State appraiser should be treated like any other appraiser within the State who wishes to perform an appraisal in a federally related transaction.

A State agency may establish by statute or regulation a policy that places reasonable limits on the number of times an out-of-State certified or licensed appraiser may exercise his or her temporary practice rights in a given year. If such an overall policy is not established, a State agency may choose not to honor an out-of-State certified or licensed appraiser's temporary practice rights if it has made a determination that the appraiser is abusing his or her temporary practice rights and is regularly engaging in real estate appraisal within the State.

Finally, some State agencies have sought to require that an appraiser register for temporary practice if the appraiser is certified or licensed in another State, performs a technical review of an appraisal in that other State and changes, or is authorized to change, a value in the appraisal. The ASC, however, has concluded that for federally related transactions the review appraiser need not register for temporary practice or otherwise be subjected to the regulatory jurisdiction of the State agency in which the appraisal was performed, so long as the review appraiser does not perform the technical review in the State within which the property is located.

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Statement 6: Reciprocity

Many interested parties have commented that reciprocity is at least as critical as temporary practice. Under reciprocal arrangements, an appraiser who is certified or licensed in State A and is *also* reciprocally certified or licensed in State B must comply with both States' appraiser laws, including those requiring the payment of certification, licensing and Federal registry fees and continuing education. Indeed, the appraiser for all intents and purposes is treated as if he or she were separately certified or licensed in each of the States.

Methods for providing reciprocity vary from State to State. Some States may implement formal agreements with other States, whereby a certified or licensed appraiser in good standing from one State applies for, and is granted, certification or licensing in the other States upon submission to the other States of a copy of his or her credentials, a statement of good standing, a consent for service of suit and the payment of appropriate fees. Other States, without a formal agreement, but with similar documentation requirements, may grant the requested certificate or license upon the payment of the second State's fee. Still other States may accept the examination of other States, but require the remainder of the application to be completed by the applicant and reviewed by the State agency.

Reciprocity's main benefit is that appraisers who qualify for certification or licensing in one State may freely cross into another State without needing to ''register'' for each appraisal assignment in the other State. Therefore, a duly certified or licensed appraiser in one State can be recognized as such in each of the other States in which he or she is licensed or certified by reciprocity.

Section 1122(b) of Title XI, 12 U.S.C. 3347(b), states that the ASC shall encourage the States to develop reciprocity agreements that readily authorize appraisers who are licensed or certified in one State (and who are in good standing with their State appraiser certifying or licensing agency) to perform appraisals in other States. Each State should work expeditiously and conscientiously with other States with a view toward satisfying the purposes of the statutory language. The ASC monitors each State's progress and encourages States to work out issues and difficulties whenever appropriate.

The ASC encourages States to enter into reciprocal agreements that, at a minimum, contain the following features:

- Accomplish reciprocity with at least all contiguous States. For States not sharing geographically contiguous borders with any other State, such as Alaska and Puerto Rico, those States should enter into reciprocity agreements with States that certify or license appraisers who perform a significant number of appraisals in the non-contiguous States;
- Readily accept other States' certifications and licenses without reexamining applicants' underlying education and experience, provided that the other State: (1) has appraiser qualification criteria that meet or exceed the minimum standards for certification and licensure as adopted by the AQB; and (2) uses appraiser certification or licensing examinations that are AQB endorsed;
- Eliminate retesting, provided that the applicant has passed the appropriate AQB-endorsed appraiser certification and licensing examinations in the appraiser's home State;
- Recognize and accept successfully completed continuing education courses taken to qualify for license or certification renewal in the appraiser's home State; and
- Establish reciprocal licensing or certification fees identical in amount to the corresponding fees for in-State appraisers.

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[FR Doc. 97–10545 Filed 4–22–97; 8:45 am]

BILLING CODE 6201–01–M

FEDERAL MARITIME COMMISSION

Notice of Agreement(s) Filed

The Commission hereby gives notice of the filing of the following agreement(s) under the Shipping Act of 1984.

Interested parties can review or obtain copies of agreements at the Washington, DC offices of the Commission, 800 North Capitol Street, N.W., Room 962. Interested parties may submit comments on an agreement to the Secretary, Federal Maritime Commission, Washington, DC 20573, within 10 days of the date this notice appears in the **Federal Register**.

Agreement No.: 202–010689–066.
Title: Transpacific Westbound Rate Agreement.
Parties:
American President Lines, Ltd.
Hapag-Lloyd Container Linie GmbH
Kawasaki Kisen Kaisha, Ltd.
A.P. Moller-Maersk Line
Mitsui O.S.K. Lines, Ltd.
Neptune Orient Lines, Ltd.
Nippon Kaisha Yusen, Ltd.
Orient Overseas Container Line, Inc.
P&O Nedlloyd Limited
P&O Nedlloyd B.V.
Sea-Land Service, Inc.
Synopsis: The parties are amending their agreement to extend indefinitely the authority to take independent action (''IA'') on three business days' notice for cargo of unusual dimensions, where the IA rate will remain in effect for 60 days or less.

Agreement No.: 203–011569.
Title: Amazonas Service Agreement.
Parties:
Di Gregorio Navegorio Navegacao Ltda.
Amazon Lines Limited.
Synopsis: The proposed Agreement permits the parties to enter into a cooperative working arrangement that includes space charter, equipment interchange, sailing, and voluntary rate making authority in the trades between U.S. ports and inland points and ports and inland points in Brazil, including Amazon River ports. The parties have requested short review.

Dated: April 18, 1997.

By Order of the Federal Maritime Commission.

Joseph C. Polking,

Secretary.

[FR Doc. 97–10546 Filed 4–22–97; 8:45 am]

BILLING CODE 6730–01–M

FEDERAL MARITIME COMMISSION

Ocean Freight Forwarder License Revocations

The Federal Maritime Commission hereby gives notice that the following freight forwarder licenses have been revoked pursuant to section 19 of the Shipping Act of 1984 (46 U.S.C. app. 1718) and the regulations of the Commission pertaining to the licensing of ocean freight forwarders, effective on the corresponding revocation dates shown below:

License Number: 3956.
Name: Celadon-Jacky Maeder Company.
Address: 590 Belleville Turnpike, Building 26, Kearny, NJ 07032.
Date Revoked: March 17, 1997.
Reason: Surrendered license voluntarily.

License Number: 1825.
Name: International U.T.S., Ltd.
Address: 4500 Fait Avenue, Baltimore, MD 21224.
Date Revoked: March 23, 1997.
Reason: Failed to maintain a valid surety bond.

License Number: 3102.
Name: Kyung H. (Harry) Oh d/b/a ITL Shipping Company.
Address: 451 East Carson Plaza Drive, Suite 201, Carson, CA 90746.
Date Revoked: March 27, 1997.
Reason: Failed to maintain a valid surety bond.

License Number: 3585.
Name: Pan Am Cargo, Inc.
Address: 5523 N.W. 72nd Avenue, Miami, FL 33166.
Date Revoked: April 9, 1997.
Reason: Failed to maintain a valid surety bond.

Bryant L. VanBrakle,

Director, Bureau of Tariffs, Certification and Licensing.

[FR Doc. 97–10548 Filed 4–22–97; 8:45 am]

BILLING CODE 6730–01–M

FEDERAL MARITIME COMMISSION

Ocean Freight Forwarder License Applicants

Notice is hereby given that the following applicants have filed with the Federal Maritime Commission applications for licenses as ocean freight forwarders pursuant to section 19 of the Shipping Act of 1984 (46 U.S.C. app. 1718 and 46 CFR 510).

Persons knowing of any reason why any of the following applicants should not receive a license are requested to contact the Office of Freight Forwarders, Federal Maritime Commission, Washington, DC 20573.

Century Express, 5 Lehigh Drive, Smithtown, NY 11787
Officer:
John Debetta, President
Hyzoom Express Co, 203 S. Hampton Street, Anaheim, CA 92804
Mi Son Kim,
Sole Proprietor
AA Freight Forwarders, Inc., 2618 N.W. 112th Avenue, Miami, FL 33172