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Appraisal Subcommittee

Federal Financial Institutions Examination Council

July 24, 1998

Marshall L. Elliott, Chairperson
Wyoming Certified Real Estate Appraiser Board
2020 Carey Avenue, Suite 100
Cheyenne, Wyoming 82002

Dear Mr. Elliott:

Thank you for your cooperation and your staff's assistance in the May 14-15, 1998 Appraisal Subcommittee ("ASC") review of the Wyoming Certified Real Estate Appraiser Board ("Board") and appraiser regulatory program ("Program").

Your Program is efficient, well operated, and very responsive. In particular, your enforcement program is effective, well documented, and fairly administered. Wyoming responded to the recommendation for reciprocity by establishing more reciprocal agreements than any other State. Finally, Wyoming was the first State to submit National Registry data over the Internet.

Nevertheless, due to several shortcomings in your Program, it technically does not conform to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI") as discussed below.

- **Temporary practice is not provided as required by Title XI and ASC Policy Statement 5.**

Temporary practice is not authorized by Wyoming statute, regulation or policy. We recognize that this deficiency was caused by the enactment of the Wyoming Certified Real Estate Appraiser Act ("Act") in 1989, three months before the enactment of Title XI. Unfortunately, your Act was based on early versions of Office of Management and Budget Circular 129, the Appraiser Qualifications Board ("AQB") appraiser classifications criteria, and the Uniform Standards of Professional Appraisal Practice ("USPAP"). We also recognize that the Board and its staff have attempted on several occasions to get curative legislation amendments enacted, without success. Despite these efforts, this longstanding deficiency remains unresolved. The Board, however, believes that Wyoming's liberal reciprocity provisions are consistent with the spirit and intent of Title XI's temporary practice provisions. We disagree because:

1. Wyoming does not have reciprocal agreements with approximately 20 States. Therefore, appraisers from these States are not eligible for reciprocity;
2. Wyoming does not have a "licensed" classification. Therefore, licensed appraisers from other States are not eligible for reciprocity; and
3. Wyoming's \$450 reciprocal certification fee far exceeds the \$150 temporary practice fee limit required by ASC Policy Statement 5. Although a reciprocal license would provide an appraiser a three-year licensing period, this does not

benefit an appraiser who needs only 30-60 days to perform an appraisal as contemplated by Title XI's temporary practice provisions.

Section 1122(a) of Title XI requires States to provide temporary practice and prohibits State appraiser regulatory agencies from imposing excessive fees or burdensome requirements as determined by the ASC. The ASC, in Policy Statement 5, defined as burdensome a requirement that temporary practitioners obtain a permanent certification or license in the State of temporary practice. Because Wyoming does not provide temporary practice and requires temporary practitioners to obtain a permanent, reciprocal certification, Wyoming's practices are inconsistent with Title XI and Policy Statement 5.

The Board must take the necessary actions to ensure that Wyoming's Certified Real Estate Appraiser Act is amended to provide for temporary practice as required by Section 1122(a) of Title XI and ASC Policy Statement 5.

- **Wyoming's qualified appraiser experience requirements may discriminate against older appraisers.**

Wyoming requires that qualifying experience for the certified residential and certified general classifications must have been acquired within the five-year period immediately preceding the date of application. Such restrictions potentially discriminate against older appraisers who completed their field experience early in their careers. This may be particularly true for appraisers working in a supervisory capacity, such as in positions at Fannie Mae or the U.S. or State governments. The AQB previously considered incorporating a five-year requirement such as Wyoming's, but rejected it. Because of your State's limitation, many otherwise qualified individuals would be disqualified from appraising in Wyoming.

We recommend that the Board eliminate the five-year experience restrictions. At a minimum, Board regulations should be amended to permit the Board to review, on a case-by-case basis, and accept, if otherwise adequate, experience obtained prior to the five-year limitation.

- **Wyoming's lack of a "licensed" appraiser classification poses a barrier to reciprocity.**

Wyoming does not have a "licensed" appraiser classification. The absence of a State licensed classification is a barrier to reciprocity because licensed appraisers from other States may not be reciprocally recognized at the licensed level.

We recommend that Wyoming consider establishing a "licensed" appraiser classification to facilitate reciprocal arrangements with licensed appraisers from other States. At a minimum, Wyoming should not allow its lack of a licensed classification to pose a barrier to licensed appraisers of other States obtaining reciprocal credentials in Wyoming to practice at the "licensed" level.

- **The State does not accept pre-certification education approved by other States.**

Wyoming does not automatically accept qualifying education approved by other States when reviewing reciprocal certification applications. The Board, however, automatically accepts continuing education approved by other States. As discussed in ASC Policy Statement 6, we recommend that the Board accept pre-qualifying education approved by other jurisdictions.

Please respond to our findings and recommendations within 60 days from the date of this letter. Until the expiration of that period or the receipt of your response, we consider this field review to be an open matter. After receiving your response or the expiration of the 60-day response period, whichever is earlier, this letter, your response and any other correspondence between you and the ASC regarding this field review become releasable to the public under the Freedom of Information Act and will be made available on our Web site.

If you have any questions, please contact us.

Sincerely,

Herbert S. Yolles
Chairperson

cc: Governor Jim Geringer
Connie Anderson, Ex-Officio Member