THE STATE   OF WYOMING

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Wyoming Certified Real Estate Appraiser Board

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MEMBER
ASSOCIATION OF APPRAISER
REGULATORY OFFICIALS

July 31,1998

Mr. Herbert S. Yolles, Chairperson
Appraisal Subcommittee
2100 !ennsylvania Avenue NW
Suite 200!
ashington, !C. 20037

RE: Wyoming Review

Dear Mr. Yolles:

Your staff is to be commended for the professional way they conducted our review. Vicki Ledbetter, Dennis Greene and Kathryn Gearheard came to Wyoming to not only review our program but to guide us in meeting federal directives. Your staff has always been responsive to our needs and requests.

The Wyoming *Certified Real* Estate Appraiser Board is aware of our problems and has taken the following steps to come into compliance:

1. The Board will accept pre-certification education approved by another state meeting your requirements.

2. Legislation is being proposed to allow for temporary practice; eliminate reference to OMB Circular 129; create a "licensed" appraiser classification; eliminate the requirement that experience must be within the five-year period immediately preceding the date of application- mid make Wyoming a mandatory state.

We do not agree that we have "several shortcomings" as we feel that we do meet and enforce the intent of Title XI.

The lack of a licensed appraiser classification is not really an issue since we are not presently a mandatory state. Our current law only applies to persons who hold themselves out as a *certified' appraiser. Thus, anyone from anywhere can come into Wyoming now and do any appraisal, as long as they don't represent themselves to be 'certified'.
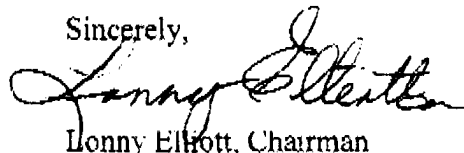
We have tried several times to amend our law and have been unsuccessful, but you have our assurance that we will continue to make every effort to amend our law as necessary. We have already Found a legislator to sponsor our next attempt to change our law, and would appreciate any assistance you and your staff are willing to provide, We feel that it would be very helpful to our cause if you sent a staff member to testify before the appropriate legislative committee - the next session of the Wyoming Legislature is in February of 1999. Please advise as to whether we can expect this assistance.

We would also like to bring to your attention the fact that we cannot get financial institutions to cooperate or file complaints against incompetent or dishonest appraisers. FIRREA, which mandated appraiser regulation by the States, is a banking law designed to protect the safety and soundness of our nation's lending institutions. Lenders as a group are by far the largest users of appraisal services in the United States. However, since our law became effective in 1991 we have not had a single complaint Filed by a financial institution. During the course of several investigations, we have attempted to gain input from affected lenders, and they have consistently refused to cooperate with us. All of our complaints have been from consumers or other appraisers. We can only assure that financial institutions don't cooperate because they do not want to do anything to cause an audit of their organization, or expose themselves to liability. We do not think that the reason we have had no complaints from lenders s that they have not received any "bad" appraisal.

Another area that needs to be addressed at the Federal level is the lack of regulation of the mortgage brokerage industry. Wyoming Certified Appraisers are routinely asked by mortgage brokers to do things that are totally contrary to USPAP and our Act. Appraisers who refuse to comply with illegal requests arc "back-balled" by mortgage brokerages. The end result of this practice is that the best and most honest appraisers are being driven out of the industry, and perhaps soon we will be left with only unscrupulous and incompetent appraisers who will do anything those brokers ask

Again, thank you for your comments, We will advise your staff of our progress.

Sincerely,

Lonny Elliott, Chairman

cc: Governor Jim Gerringer
    Board Members