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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

June 4, 2015

Ms. Janelle Miyashiro, Consultant  
Business and Professions Committee  
Legislative Office Building  
1020 N St, Room 383  
Sacramento, CA 95814

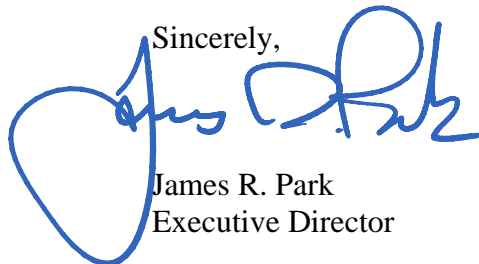
Dear Ms. Miyashiro:

This letter is in reference to Assembly Bill 624, proposed legislation that would amend Sections 11302 and 11319 of the Business and Professions Code relating to real estate appraisers. The Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC) is charged with overseeing State appraiser regulatory programs (State programs) for compliance with federal statutory requirements in their supervision of appraisers eligible to conduct appraisals for federally related transactions. While we recognize the proposed legislation applies to non-federally related appraisal activity, the proposed legislation would allow for a “standard of valuation practice” or “any nationally or internationally recognized valuation standard for non-federally related appraisal activity” instead of the congressionally-authorized *Uniform Standards of Professional Appraisal Practice* (USPAP).

The proposed legislation, if adopted, could pose negative implications for California’s State program, particularly in the investigation of complaints against appraisers and the necessity to apply varying standards rather than the universally-recognized USPAP. The State program would be required to effectively ensure that USPAP is applied when required by federal law, and to effectively evaluate when, on the other hand, it is permissible for an appraiser to apply a different “standard of valuation practice.” Personnel conducting investigations for complaints filed would be required to possess varying levels of expertise dependent on the set of standards permitted. This could well require allocation of additional resources to support effective supervision of appraisers eligible to perform appraisals for federally related transactions, as required by federal law. Additionally, multiple sets of standards could further result in confusion for appraisers, users of appraisal services, regulators, as well as the courts and general public.

Please do not hesitate to contact us if you have any questions.

Sincerely,



James R. Park  
Executive Director

cc: Ms. Melinda McClain, Deputy Director of Legislation and Regulatory Review  
Mr. Jim Martin, Bureau Chief