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Appraisal Subcommittee

Federal Financial Institutions Examination Council

February 25, 2002

Sam E. Blackburn, Executive Director
Kentucky Real Estate Appraisers Board
1025 Capital Center Drive, Suite 100
Frankfort, KY 40601-8205

Dear Mr. Blackburn:

This letter responds to your January 31, 2002 letter regarding two issues that you would like ASC staff to be prepared to discuss during our upcoming field review of Kentucky's appraiser regulatory program. Following are the two issues as you presented them, and our comments.

1. "Alleged complaints two (2) years and older will be accepted by the Board providing such complaints rise to the level of gross negligence or fraud."

As we understand it, the Kentucky Real Estate Appraisers Board ("Board") is considering whether to adopt this language as a change to its rules and regulations. In summary, you question whether the ASC would take exception to such a policy. In short, we would not take exception to such a policy, provided it was implemented as discussed in your January 31st letter.

2. "All adjudicated complaints shall be reported in the KREAB's Quarterly Newsletter. Complaints that result in a revocation or suspension or license or a fine in excess of \$1,000; the name(s) of the appraiser shall be reported along with the appropriate USPAP violation(s)."

As we understand this issue, Kentucky currently reports all disciplinary actions in its newsletter. The Board is considering reporting only the actions specified in the above language. Again, we would not take exception to such a policy. If Kentucky encounters situations where appraisers surrender their credentials in lieu of disciplinary action, we encourage you to include this category in the list of "reportable" actions.

Please contact us if you have further questions.

Sincerely,

Ben Henson
Executive Director