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Appraisal Subcommittee

Federal Financial Institutions Examination Council

January 14, 2002

Hiram Cerezo-Munoz, Chairman
Junta de Evaluadores Profesionales de Bienes Raices de Puerto Rico
c/o Board of Examiners Division
Department of State
P.O. Box 3271
San Juan, PR 00902-3271

Dear Mr. Cerezo-Munoz:

Thank you for providing us an opportunity to review the Puerto Rico Board of Professional Real Estate Appraisers ("Board") proposed changes to its general, education, and complaint processing regulations. We have the following comments.

First, the proposals do not account for the October 2001 changes in the Appraiser Qualifications Board's ("AQB") Criteria relating to improving Uniform Standards of Professional Appraisal Practice ("USPAP") education. These changes will become effective on January 1, 2003, and the Board must have conforming amendments to its rules in place at that time. USPAP course instructor qualifications need amendment to reflect the AQB's requirement that persons teaching USPAP must be AQB-certified under its USPAP instructor qualification program, for the appraiser/students to be able to use the course to meet AQB Criteria regarding qualifying and/or continuing education. You also will need to require your appraisers to complete the AQB's seven-hour National USPAP Update Course, or its equivalent, at a minimum of every two years. To obtain details regarding these changes, please refer to the Appraisal Foundation's Web site at <https://www.appraisalfoundation.org/html/qualifications.asp?FileName=program>. Finally, Chapter II, Article 1.4 of the proposed education regulations requires, among other things, that teachers of USPAP courses be approved by the appropriate Federal agency. This reference should be changed to the AQB.

Second, Chapter 5, Article 9, paragraph 4, of the complaint processing regulation states that private warnings will not be included in the sanctioned appraiser's files. Please consider retaining this documentation. Retention of this documentation will assist us in our periodic review of your appraisal regulatory program. Please advise us if you believe that retaining these documents would be contrary to Puerto Rican law, policy or practice, and provide us with the reasons for your position.

Third, your proposal regarding temporary practice does not specify the fee for temporary practice. Please consider that Title XI of the Financial Institutions Recovery, Reform, and Enforcement Act of 1989, as amended, and ASC Policy Statement 5 regarding temporary practice prohibit States and territories from charging a fee greater than \$150.

Last, Chapter 12, Articles 34 and 35 of the general regulation should be changed. Article 34 limits the scope of practice for licensed real estate appraisers, among other things, to federally

related transactions as specified by the Appraisal Subcommittee. This reference should be changed to Title XI and other applicable Federal statutes and regulations. Similarly, Article 35 delineates the scope of practice for certified residential and certified general appraisers by referring to AQB Criteria. That reference also should include Title XI and other applicable Federal statutes and regulations.

Please contact us if you have any questions.

Sincerely,

Ben Henson
Executive Director

cc: Carmen Carreras Peres, Director