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Appraisal Subcommittee

Federal Financial Institutions Examination Council

March 25, 2002

Lisa Davis, Administrator
Boards and Commissions
Department of Licensing and Consumer Affairs
Golden Rock Shopping Center
Christiansted, St. Croix, USVI 00820

Dear Ms. Davis:

Thank you for providing us a copy of the Real Estate Appraisers Board's ("Board") proposed rules and related draft statutory amendments. We have reviewed them and have the following comments.

Statute

488(A)(2): Disciplinary actions or proceedings may be initiated by filing a complaint with the Board. The provision does not indicate who may file the complaint. We recommend that the provision be changed to authorize the Board to commence a proceeding upon the filing of a complaint by a natural person and by the Board on its own motion;

488(A)(3): In the third line, correct "manes" to "names";

488(A)(12)(ii): The "or" should be changed to "and";

Rules

435-3. Definitions.

"Appraiser Qualifications Board": Please remove the semicolon between "appraiser" and "licensing";

"Appraisal Subcommittee": Add after "federal financial institutions regulatory agencies" the words, "and the Department of Housing and Urban Development";

"Complex one-to-four family residential property appraisal": Please explain or restructure the phrase, "a significant value contribution." We do not understand the meaning of this wording as drafted;

"Direct supervision": Please add "appraiser" before "assistant" to conform the language to other rules;

"Certified general real estate appraiser," "Certified residential real estate appraiser," and "Licensed real estate appraiser": These definitions require that a person engage in real estate appraisal activity "for a valuable consideration." What if such a person performs such activities

for free? Does that activity fall outside of the Board’s jurisdiction because the person no longer falls within one of these defined terms?

If scope of practice is included in these definitions, then the provisions also should refer to the regulations of the Federal financial institutions regulatory agencies;

435-6: License or certification requirements

(b)(1): Credit for distance education courses can only be given if the course has been approved by one of the options specified in the AQB Criteria. Board approval alone is not sufficient.

(b)(5)(C): Remove the word “that” from the phrase “by the course provider that has not been disapproved”;

(d)(1): This paragraph speaks to the experience qualifications for all appraisers, regardless of credential. Strictly read, a person can qualify for certified residential or certified general status with a minimum of 2000 hours. AQB Qualification Criteria require certified residential appraisers to obtain at least 2500 hours of appraisal experience in a 24-month period. Those Criteria require certified general applicants to have at least 3000 hours in a 30-month period. We strongly urge you to incorporate by reference the experience requirements established by the AQB. Alternatively, you may wish to restate the AQB experience standards for each credential level;

(d)(5): A licensed appraiser or a certified residential appraiser who is upgrading need not work under a licensed or certified appraiser in order to obtain qualifying experience. This makes sense only when an unlicensed or uncertified person is training to become a licensed or certified appraiser.

435-7 Processing Applications

(e)(2): Please add a new subparagraph requiring experience. We urge you to use the language in (e)(1)(B) directly above. The minimum AQB education requirement for certified residential status is 120 hours; this provision requires 165 hours. This is fine if you in fact wish to have the higher requirement. If not, we urge you to use the same language as (1)(C).

(g)(2): Correct the typo, “certiflcation”;

435-12 Temporary Licensure or Certification of Out-of-State Appraisers

General Question: The dollar amount of the temporary practice fee is not disclosed. Please ensure that it does not exceed \$150 per temporary practice assignment. *See* ASC Policy Statement 5 for details;

(a)(1)(A): The ASC does not recognize jurisdictions. This provision should read, “jurisdiction whose certifications or licenses have not been disapproved by the” ASC;

453-16(c)(1)(H) Disciplinary Sanctions: Correct typo, “omission” to “omission”; and

453-19 Publication of Roster: Please change second to last sentence. ASC Policy Statement 8 requires States to send National Registry appraiser data to the ASC on a monthly basis.

Item not covered:

Reciprocity: It appears that no provision exists regarding reciprocity. While reciprocity is not required under Title XI, we recommend that you establish reciprocity either by agreement with other States/Territories or by “endorsement,” whereby individual appraisers from other jurisdictions are credentialed. For details, *see* ASC Policy Statement 6.

In closing, we appreciate receiving these long-awaited draft statutory and regulatory amendments. Please review our comments and let us know if you have any questions. Finally, please let us know your timetable for the final adoption of the proposals.

Sincerely,

Ben Henson
Executive Director