

Appraisal Subcommittee
Federal Financial Institutions Examination Council

October 13, 2010

Mr. Leonard E. Pauley, Jr., Chairman
Louisiana Real Estate Appraisers Board
PO Box 14785
Baton Rouge, LA 70898-4785

RE: ASC Compliance Review of Louisiana's appraiser regulatory program

Dear Mr. Pauley:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of Louisiana's appraiser regulatory program (Program) on March 15-17, 2010. This is the final ASC Compliance Review Report (Report) on that Review.


The ASC has considered the preliminary findings regarding the Review and the State's response. The ASC has determined the Program is not in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (Title XI). The ASC identified the following concern:

- Louisiana must ensure appraiser continuing education courses are consistent with AQB Real Property Appraiser Qualification Criteria.¹

In its response, the State indicated corrective actions were taken as detailed in the attached Report. During the next Review, ASC staff will confirm these corrective actions have taken place and are appropriate. Please also be advised this letter and the attached Report are public record and available on the ASC website in accordance with the Freedom of Information Act.

Please contact us if you have any questions.

Sincerely,



Deborah S. Merkle
Chairman

Attachment

cc: Mr. Julius C. Willie, Executive Director

¹ Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria.

ASC Compliance Review Report

Finding: Not In Substantial Compliance

Report Issue Date: DRAFT

Louisiana Appraiser Regulatory Program (Program)

LA Real Estate Appraisers Board (Board) / Decision Making	PM: N. Fenochietti	ASC Compliance Review (Review) Date: March 15-17, 2010	Review Period: April 2008 to March 2010
Umbrella Agency: Independent		Number of State credentialed appraisers on National Registry: 1185	Issue: FINAL

Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Louisiana Statutes, Regulations, Policies and Procedures:			X					
States' certification and licensing requirements must meet the minimum requirements set forth in Title XI. (Title XI § 1116((a), 12 U.S.C. 3345.)				Louisiana statute RS 37 §3410 requires compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). However, it recognizes the Appraisal Subcommittee (ASC) rather than the Appraisal Standards Board (ASB) of the Appraisal Foundation as the authority determining these standards. However, it does not appear that the technical deficiency had any negative impact to the effectiveness of the Program.	On June 7, 2010, the Board reported that it intends to file legislation to correct this statute at the next General Session of the legislature, which will convene on March 26, 2012.	None	None	Upon adoption, please provide ASC staff with a copy of the revised statute.
Louisiana Statutes, Regulations, Policies and Procedures continued:	X							
States must adopt and/or implement all relevant AQB Real Property Appraiser Qualification Criteria. (Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria.)				In February of 2006, the Board adopted, by policy, a segmented approach to the implementation of the January 1, 2008 Appraiser Qualifications Board Real Property Appraiser Qualification Criteria (AQB Criteria) with an end-date of December 31, 2013. Some of the current Board members were not aware an end-date to the segmented approach had been adopted. As a result, the Board had not taken action to inform affected persons or the public regarding the end-date to the segmented approach.	On June 7, 2010, the Board reported that information detailing the end date for the segmented approach and the requirements for applicants who apply for credentialing thereafter will be sent via email to all affected persons. This information will also be made available on the Board website.	None	None	The Board's resolution addresses the concern.

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Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Temporary Practice:	X			No compliance issues noted.	N/A	None	None	None
National Registry:	X			No compliance issues noted.	N/A	None	None	None
Application Process:	X			The experience logs submitted by applicants for certification did not contain information required regarding the actual hours worked on each assignment, the scope of supervision, and the signature and credential number of the supervising appraiser. While the experience logs were incomplete, the Board had obtained and reviewed required documentation to support the applicants' appraisal experience.	On June 7, 2010, the Board reported that during the March 17, 2010 meeting, the Board adopted an experience log that conforms to the AQB Criteria.	None	None	During the next Review, ASC staff will pay particular attention to this area for compliance with the AQB Criteria.
Reciprocity:	X			No compliance issues noted.	N/A	None	None	None

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Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Education:		X						
States must ensure appraiser continuing education courses are consistent with AQB Real Property Appraiser Qualification Criteria. (Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria.)				ASC staff identified the following two appraiser continuing education courses that were approved by the Board and appear to contain content that is inconsistent with AQB Criteria: (1) The Northwest Louisiana Board of Realtors Orientation/Indoctrination, parts I and II; and (2) Louisiana Multiple Listing Service Orientation. These courses relate to professional organization ethics and do not appear to be real estate-related.	None	The Board must ensure that all courses approved for appraiser education conform to AQB Criteria. Due to the Board's failure to respond to this deficiency within 60 days of the date of the Preliminary Findings, the Board must: (1) review the identified courses to determine whether they meet AQB Criteria; (2) remove courses or hours that do not meet AQB Criteria from approved status; and (3) notify ASC staff in writing of the Board's findings.	None	During the next Review, ASC staff will pay particular attention to this area for compliance with AQB Criteria.
Enforcement:	X							
				No compliance issues noted.	N/A	None	None	None