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Appraisal Subcommittee

Federal Financial Institutions Examination Council

July 21, 2004

Mr. Stephen Turner
Chairperson, Alaska Certified Real Estate Appraisers Board
Department of Commerce and Economic Development
P.O. Box 110806
Juneau, Alaska 99811-0806

Dear Mr. Turner:

Thank you for the cooperation and assistance of the Board of Certified Real Estate Appraisers (“Board”) and Department of Commerce and Economic Development (“Department”) in the May 26-27, 2004 Appraisal Subcommittee (“ASC”) review of Alaska’s appraiser regulatory program (“Program”).

Most aspects of your Program appeared to function effectively and in compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (“Title XI”). Complaint investigations were well documented and their resolutions appeared fair and equitable. File material pertaining to the certification of appraisers was well maintained and processed effectively. Our review revealed the following areas need your attention.

- **Board approval of qualifying education courses of less than 15 hours does not conform to Appraiser Qualifications Board (“AQB”) criteria.**

The Board approved a number of qualifying education courses, including the 15-hour National USPAP Course. However, the Board only recognized 14 hours for each course because State regulations do not allow time spent taking an examination as credit for qualifying education hours. This practice does not conform to AQB criteria. The criteria provide that any credit for qualifying education may only be granted when the length of the educational offering is at least 15 hours, including the successful completion of an examination. In addition, AQB certification criteria require that “fifteen of the [120 or 180] hours must include the successful completion of the National USPAP Course, or its equivalent.”

We have received a copy of your proposed regulatory change to address this concern. When adopted, the amended regulations will allow you to award continuing education credit for time spent taking an examination. This regulatory amendment will resolve our concern. Please keep us informed of the status of amendment process.

- **State regulations do not conform to two other AQB criteria.**

The Board needs to amend its regulations to reflect two changes in AQB criteria. Effective January 1, 1998, the AQB eliminated acceptance of activities such as authorship of textbooks, program development, and teaching from the list of activities recognized as credit for qualifying education. Further, on December 1, 2003, the AQB issued a ruling that removed

ACE/Credit from its authorized distance education approval process effective April 1, 2004. The Board needs to amend its regulations to remove the ACE/Credit Program as an approval source for distance education.

Please respond to our findings and recommendations within 60 days from the date of this letter. Until the expiration of that time or the receipt of your response, we consider this field review to be an open matter. After receiving your response or the expiration of the 60-day response period, whichever is earlier, this letter, your response and any other correspondence between you and the ASC regarding this field review become releasable to the public under the Freedom of Information Act and will be made available on our Web site.

If you have any questions, please contact us.

Sincerely,

Virginia M. Gibbs
Chairman

cc: Wanda Fleming, Licensing Examiner
Carol Whelan, Licensing Supervisor