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Appraisal Subcommittee

Federal Financial Institutions Examination Council

March 13, 2006

Mr. Tom Heineman, Chair
Arizona Board of Appraisal
1400 West Washington Street, Suite 360
Phoenix, AZ 85007

Dear Mr. Heineman:

Thank you for your February 17, 2006 letter responding to our January 19th field review letter. We reviewed your remarks and appreciate your comments and cooperation. As you know, during our field review, we identified two areas that needed your attention. Specifically, we found that:

1. Arizona's statute allows for extending continuing education terms for appraisers who fail to meet those requirements because of circumstances beyond their control; and
2. Arizona's statute and the Arizona Board of Appraisal's ("Board") regulations continue to contain incorrect references to the Appraisal Subcommittee.

In your letter, you stated that the Board will pursue changing the State's statute and regulations to bring the State's real estate appraiser regulatory program ("Program") into substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI"). In addition, these changes also need to include appropriate statutory and regulatory amendments to implement the 2008 Appraiser Qualification ("AQB") criteria changes.

We note that the AQB has indicated that it intends, during 2006, to issue another criteria interpretation on how real estate appraisers serving in the U.S. military can fulfill their continuing education obligations under the AQB's criteria. The Board might wish consider this information in its legislative efforts.

We appreciate the Board's efforts to address our concerns. Please provide us a copy of all draft legislation and regulations for our review and comment. Also, please provide us copies of these amendments when they are adopted.

Our field review letter, your response, and any other previous correspondence between us regarding the field review now will become publicly available on our Web site.

Please contact us if you have any questions or need further assistance in your legislative efforts.

Sincerely,

Ben Henson
Executive Director