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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

March 7, 2007

Anthony F. Majewski, Acting Director  
Office of Real Estate Appraisers  
1102 Q Street, Suite 4100  
Sacramento, CA 95814

Dear Mr. Majewski:

Thank you for your January 24, 2007 letter and spreadsheet responding to our November 3<sup>rd</sup> letter, our most recent correspondence regarding our January 2006 field review of California's real estate appraiser regulatory program. Your letter and spreadsheet updated information regarding one of the concerns identified in our March 15, 2006 field review letter.

- **OREA (Office of Real Estate Appraisers) approved distance education courses that fail to conform to Appraiser Qualifications Board ("AQB") certification criteria.**

As directed in our March 15<sup>th</sup> field review letter, OREA reviewed its approved distance education courses to identify courses that failed to conform to AQB criteria. OREA identified several courses that failed to have their delivery methodologies approved by one of the approval sources authorized in AQB criteria, including the International Distance Education Certification Center ("IDECC").

OREA ultimately identified 15 certified appraisers whose credentials were renewed between April 1, 2004, and July 1, 2005, relying on continuing education that was not acceptable under AQB criteria. OREA advised each of the 15 identified appraisers in writing of the number of hours of unacceptable continuing education and that he/she must take the necessary education within 60 days to maintain his/her certified appraiser credential and that this "make up" education could not be used to meet the requirements for another continuing education cycle.

Based on the information provided in your current letter and spreadsheet, three certified appraisers failed to obtain sufficient continuing education to support renewal of their certifications. You have requested that the three appraisers be designated as "not AQB Compliant" on the National Registry. That action has been taken. Additionally, because Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, requires certified appraisers to conform to AQB criteria to be eligible for inclusion in the National Registry, we have changed the Status of these three appraisers to Inactive. These appraisers no longer are legally eligible to perform appraisals in connection with Federally related transactions.

In our November 3, 2006 letter, the ASC directed OREA to promptly downgrade these appraisers to a non-certified classification or recall their certifications and reissue them overstamped with the phrase, "Not Eligible to Appraise Federally Related Transactions." Your spreadsheet reflects that the 3 appraisers have not been downgraded nor had their credentials overstamped with appropriate wording. To avoid confusing or misleading users of appraisal

services, OREA needs to take one of the two specified actions regarding each of the three certified appraisers. Please notify us within 30 days of receipt of this letter which action is being taken regarding each appraiser, and when the actions will be completed.

Please contact us if you have any questions.

Sincerely,

Ben Henson  
Executive Director