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Appraisal Subcommittee

Federal Financial Institutions Examination Council

May 11, 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 April 2, 2007 letter responding to our March 7th letter, our most recent correspondence regarding our January 2006 field review of California's real estate appraiser regulatory program. Your letter and subsequent emails with our staff updated information regarding the Office of Real Estate Appraisers ("OREA") efforts to resolve the remaining concern identified in our March 15, 2006 field review letter.

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

In our March 7th letter, we stated that OREA needed to take one of two actions regarding three certified appraisers who had failed to obtain sufficient continuing education to support renewal of their certifications. OREA needed to either promptly downgrade these appraisers to a non-certified classification or recall their certifications and reissue them over stamped with the phrase, "Not Eligible to Appraise Federally Related Transactions."

In your April 2nd letter and subsequent communications, you stated that one of the appraisers has obtained the required education and is now in compliance with AQB criteria. One appraiser has allowed her certification to expire, and OREA has "flagged" her record within the office. Should she apply to renew her certified credential, OREA will require the delinquent education at that time or issue her renewed certification over stamped with the phrase, "Not Eligible to Appraise Federally Related Transactions". Her credential expiration date on the National Registry is listed as April 25, 2007, her status is listed as "Inactive" and she is listed as "not AQB Compliant".

The last appraiser returned his certification to your office with a notation that he is no longer conducting appraisal activity. Although his credential expiration date on the National Registry is June 7, 2007, his status is listed as "Inactive" and he is listed as "not AQB Compliant". Should he apply to reactivate his certification, OREA will require the delinquent education at that time or issue his reactivated certification over stamped with the phrase, "Not Eligible to Appraise Federally Related Transactions".

We appreciate all of your efforts in resolving this issue.

Sincerely,

Ben Henson
Executive Director