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Appraisal Subcommittee

Federal Financial Institutions Examination Council

November 3, 1999

Kathryn S. Matayoshi, Director
Office of the Director
Department of Commerce and Consumer Affairs
P.O. Box 541
Honolulu, HI 96809

Dear Ms. Matayoshi:

This letter responds to your October 26, 1999 letter that asked several questions regarding our October 20th letter. I am responding to your letter on behalf of Chairman Yolles. In an effort to be brief, we will identify your questions, but not repeat them in their entirety.

1. In your first scenario, you presented an appraiser who, prior to January 1, 1995, had filed an application, met the CRA education requirement, was deficient in the CRA experience requirement, and passed the CRA examination in effect at that time. After January 1, 1995, this appraiser satisfied the CRA experience requirement and was awarded the certified residential credential. In this situation, we do not believe it necessary to require the appraiser to take the CRA-specific examination in effect since January 1, 1995.
2. In your second scenario, you presented an appraiser who, prior to January 1, 1995, had filed an application, was deficient in both the CRA education and experience requirements, and passed the CRA examination in effect at that time. After January 1, 1995, this appraiser satisfied the CRA experience requirement and provided documentation substantiating that he or she met the CRA education requirement prior to January 1, 1995, and was awarded the certified residential credential. In this situation, the determining factor was whether the appraiser met the CRA education requirement **prior** to taking the examination. The Appraiser Qualifications Board criteria require that the specified education is a prerequisite to taking the examination. If the appraiser met the education requirement prior to taking the examination, we do not believe it necessary to require the appraiser to take the CRA-specific examination in effect since January 1, 1995.
3. We grant your request to apply our 90-day compliance period to appraisers affected by this letter as of the date of this letter.
4. Appraisers on "inactive status" may retain their CRA designations during their inactive period provided they pass the CRA-specific examination in effect since January 1, 1995, **prior** to reactivating their credentials or 90 days from the date of this letter, whichever is later. It is not acceptable, for example, for an appraiser in "inactive status" to wait longer than 90 days to apply for reactivation and to be granted another 90-day period after reactivation in which to take the examination.
5. We intended to specify your rules and not your statute in our concluding paragraph. Thank you for bringing this to our attention.

If you have further questions, please contact us.

Sincerely,

Ben Henson
Executive Director