



# STATE OF IOWA

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IOWA DEPARTMENT OF COMMERCE  
PROFESSIONAL LICENSING & REGULATION

January 13, 2006

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Virginia M. Gibbs, Chairman  
Appraisal Subcommittee  
2000 K Street, NW, Suite 310  
Washington, DC 20006

The Appraisal Subcommittee has requested that the Iowa Real Estate Appraiser Examining Board respond to two concerns raised during the Subcommittee's September 2005 review of the Board's regulatory program.

First, the Subcommittee has requested that Board staff retain documentation of the substantive content of continuing education courses approved for certification renewal. We understand the Board may retain the outlines and discard other materials. Board staff will retain such documentation for a reasonable period of time, corresponding with the anticipated two-year cycles for future Subcommittee reviews. The specific courses described in your November 3, 2005, letter have all been withdrawn. Information reviewed by the Board on January 11, 2006, suggests the courses were appropriately approved by Board staff, particularly as they related to ethical considerations in real estate appraising and real estate transactions more generally. The Board has experienced an upsurge in complaints alleging ethical violations. Educational programs targeting ethical issues directly relate to the professional competence of real estate appraisers in Iowa.

Second, the Subcommittee questioned the Board's certification of certain applicants whose examination results were older than 24 months during the period of time following the change in national policy and prior to corresponding changes in Iowa state regulations. As noted in Assistant Attorney General Pamela Griebel's November 15, 2005, letter, the affected appraisers followed Iowa state law in passing the examination prior to registration as associate appraisers in training. The change in national policy caused what we assume to be unintended adverse consequences to Iowa's progressive training structure. We also understand that whatever communications may have been sent to state boards, Iowa joins many other state boards in facing the current challenge. We urge a stronger state-federal partnership in the future with enhanced communication mechanisms. Finally, we acknowledge, as Mr. Henson responded to Ms. Griebel, that the adverse policy choice was not made by the Subcommittee and that concerns about this policy should be expressed to the Appraisal Qualifications Board.

Of the six appraisers listed in Ms. Griebel's letter, two have retaken and re-passed the examination. The remaining four have been informed that the Subcommittee will not recognize their state certification for purposes of federally-related transactions unless they retake and re-pass the examination. If any of the four have not successfully retaken the examination by March 31, 2006, the

Board will take steps to "stamp" your suggested notification on the applicable certificates. We will advise your staff of the results no later than April 28, 2006.

*Richard Koestner by SB*

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