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Appraisal Subcommittee

Federal Financial Institutions Examination Council

September 14, 2001

Logan Babin, Chairman
Louisiana Real Estate Appraisers
State Board of Certification
P.O. Box 14785
Baton Rouge, LA 70898

Dear Mr. Babin:

Thank you for your cooperation and your staff's assistance in the July 26-27, 2001 Appraisal Subcommittee ("ASC") review of the Louisiana real estate appraiser regulatory program ("Program"). We are pleased to inform you that, based on our review, your Program functions effectively and, in most respects, in a manner consistent with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI"). This improvement reflects the efforts of the Louisiana Real Estate Appraisers State Board of Certification ("Board") and the Louisiana Real Estate Commission ("Commission"). Two areas need your attention, at this time.

- **Louisiana needs to involve persons knowledgeable about appraisals and the Uniform Standards of Professional Appraisal Practice ("USPAP") in its complaint investigation and resolution process.**

The Commission's real estate examiners are not adequately trained in appraisal methodology and USPAP. This lack of training creates situations where USPAP violations are not identified during the investigation process. The Commission's real estate examiners and hearing officer acknowledged that this lack of training hampers effective investigation and resolution of appraiser-related complaints. ASC Policy Statement 10 provides that persons analyzing complaints for USPAP compliance must be knowledgeable about appraisal, appraisal methodology, and USPAP. The Commission needs to include in the complaint investigation and resolution process one or more persons knowledgeable of appraisal methodology and USPAP. Providing such training to the Commission's real estate examiners would be one option for meeting this need.

- **Awarding experience credit for teaching appraisal courses and authorship of appraisal books or journals.**

We noted two sections of the Board's regulations that authorize granting experience credit to appraisers for teaching appraisal courses or writing appraisal textbooks or appraisal journal articles. Appraiser Qualifications Board ("AQB") Criteria do not permit awarding experience credit for teaching appraisal courses or writing appraisal textbooks or appraisal journal articles. Although we did not find that the Board had given such credit to an appraiser, the Board needs to amend its regulations and conform to AQB Criteria.

Please respond to our findings and recommendations within 60 days from the date of this letter. Until the expiration of that period or the receipt of your response, we consider this field

review to be an open matter. After receiving your response or the expiration of the 60-day response period, whichever is earlier, this letter, your response and any other correspondence between you and the ASC regarding this field review become releasable to the public under the Freedom of Information Act and will be made available on our Web site.

If you have any questions, please contact us.

Sincerely,

Thomas E. Watson, Jr.
Chairman

cc: J. C. Willie, Executive Director