

■ ■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

November 15, 2004

Mr. R. Wayne Pugh
Chairperson, Louisiana Real Estate
Appraiser Board
5222 Summa Court
Baton Rouge, LA 70809

Dear Mr. Pugh:

Thank you for the cooperation and assistance of the Real Estate Appraisers Board (“Board”) and staff in the September 23-24, 2004 Appraisal Subcommittee (“ASC”) review of Louisiana’s real estate appraiser regulatory program (“Program”).

In most respects, Louisiana’s Program appears to function effectively and in compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (“Title XI”). Complaint investigations were well documented and resolutions appeared fair and equitable. File material pertaining to the certification of appraisers was well maintained and processed effectively. Our review identified the following areas that need your attention.

- **The Board has approved continuing education courses that are inconsistent with Appraiser Qualifications Board (“AQB”) criteria.**

The Board reviews all educational offerings and approves those that conform to AQB criteria. We, however, identified a few approved continuing education courses that were inconsistent with the criteria. According to AQB criteria, “the purpose of continuing education is to ensure that the appraiser participates in a program that maintains and increases his/her skill, knowledge, and competency in real estate appraising.” The following real estate sales courses did not meet this test:

- Agency Relations in Real Estate Transactions;
- Agent Safety – Protecting Our Client’s Property and Ourselves;
- Professional Standards and Committees and Their Roles;
- Risk Reduction – Knowledge and Practice;
- Workshop – Agency; and
- Louisiana Real Estate License Law.

To address this concern, the Board needs to:

1. Review the courses identified above (and any other real estate sales course) for conformance with AQB criteria;
2. Rescind approval of any nonconforming courses and refrain from approving such courses in the future; and
3. Notify us of the results of your review and actions within 60 days from the date of this letter.

- **Several sections of Louisiana’s regulations are inconsistent with the AQB criteria.**

In practice, Louisiana’s Program functions in a manner that is consistent with current AQB criteria. The Board, however, needs to amend its regulations to conform to AQB criteria and to avoid conflicts between its regulations and practice. Specifically, the Board needs to amend its regulations to conform to AQB criteria regarding:

- The 15-hour National Uniform Standards of Professional Appraisal Practice (“USPAP”) Course and the 7-hour National USPAP Update Course; and
- Education courses presented via distance education methodology.

Unless otherwise noted above, please respond to our findings and recommendations within 60 days from the date of this letter. Until the expiration of that time 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,

Virginia M. Gibbs
Chairman

cc: Anne Brassett, Administrative Assistant