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Appraisal Subcommittee

Federal Financial Institutions Examination Council

August 13, 2007

Ms. Sheila Newell, Chair
Nebraska Real Property Appraiser Board
301 Centennial Mall South, Lower Level
Box 94963
Lincoln, Nebraska 68509-4963

Dear Ms. Newell:

Thank you for the cooperation and assistance of the Nebraska Real Property Appraiser Board (“Board”) in the July 18-19, 2007 Appraisal Subcommittee (“ASC”) review of Nebraska’s real estate appraiser regulatory program (“Program”). Based on our review, Nebraska needs to address the following concerns to bring the Program into substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (“Title XI”).

- **Nebraska’s temporary practice regulations are not consistent with Title XI and ASC Policy Statement 5.**

Nebraska’s regulations require an applicant for a temporary practice permit to provide evidence that the appraiser’s home State enforces appraisal activity requirements that are substantially equivalent to Nebraska’s requirements. As required by Title XI and ASC Policy Statement 5, States must accept and approve temporary practice applications from appraisers who are in good standing and hold an active appraiser credential in another State.

This issue was identified previously in our July 2005 review. Following that field review, the Board advised us that it would revise its regulations to remove the provision. The Board, however, failed to do so, characterizing the failure as an oversight.

To address this concern, the Board needs to:

1. Remove from its regulations the requirement that temporary practice applicants provide evidence that the appraiser’s home State enforces appraisal activity requirements that are substantially equivalent to Nebraska’s requirements;
2. Advise ASC Policy Manager monthly regarding the status of the necessary rule change, until that change is adopted; and
3. Provide the ASC a copy of the final regulation, after adoption.

- **Nebraska does not submit appraiser data to the ASC at least monthly as required by ASC Policy Statement 8 D.**

ASC Policy Statement 8 D requires that States submit National Registry data to the ASC no less frequently than monthly. Since our 2005 field review, Nebraska has failed to do so, although 2007 submissions have been more frequent than in previous years. The Board needs to submit National Registry data to the ASC on a timely basis, at least monthly, in accordance with ASC Policy Statement 8 D.

Please respond to our findings and recommendations within 60 days from the date of this letter. Until the expiration of that time 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.

Please contact us if you have any questions.

Sincerely,

Virginia M. Gibbs
Chairman

cc: Kitty Policky, Director, Real Property Appraiser Board