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Appraisal Subcommittee

Federal Financial Institutions Examination Council

September 13, 2005

Danny Stoeber, Chair
Nebraska Real Estate Appraiser Board
P.O. Box 94963
Lincoln, NE 68509-4963

Dear Mr. Stoeber:

Thank you for your cooperation and your staff's assistance in the July 25-26, 2005 Appraisal Subcommittee ("ASC") review of Nebraska's real estate appraiser regulatory program ("Program"). Nebraska's Program operates generally in compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI"). Our review identified the following areas that need your attention.

Nebraska's temporary practice regulations are inconsistent with Title XI and ASC Policy Statement 5.

Nebraska's regulations prohibit appraisers holding temporary practice permits from obtaining permit extensions. Also, Nebraska's regulations require each applicant for a temporary practice permit to provide sufficient proof that the appraiser's home State enforces appraisal activity requirements that are substantially equivalent to Nebraska's requirements.

In practice, however, we found that the Board conforms to Title XI and ASC Policy Statement 5 by granting extensions and not requiring applicants to provide proof of their home State's appraiser requirements.

The Board needs to amend its regulations to conform to Title XI and ASC Policy Statement 5's temporary practice provisions and to eliminate conflicts between its regulations and practice.

Nebraska's regulations for distance education courses are not consistent with Appraiser Qualifications Board ("AQB") criteria.

The Board's regulations regarding education courses provided via distance education do not conform to AQB criteria. On December 1, 2003, the AQB removed ACE/Credit from its distance education approval process, effective April 1, 2004, and, subsequently added the International Distance Education Certification Center ("IDECC"). The Board's regulations still refer to ACE/Credit. We found, however, that the Board, in practice, has been conforming to the new IDECC provision.

The Board needs to amend its regulations to remove ACE/Credit and add IDECC as an acceptable source for approving distance education delivery methods, and to eliminate conflicts between its regulations and practice.

Nebraska has not fully adopted the January 1, 2003 AQB criteria changes.

Although Nebraska adopted regulatory amendments incorporating most of the January 1, 2003 AQB criteria changes, the Board failed to amend its regulations to reference specifically the 15-hour National USPAP Course and the 7-hour National USPAP Update Course. We found, however, that the Board has required compliance with these provisions.

The Board needs to amend its regulations to clarify that the National USPAP courses are required, and to eliminate conflicts between its regulations and practice.

Please respond 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,

Virginia M. Gibbs
Chairman

cc: Jill Ekstein, Director