

# STATE OF NEBRASKA



Mike Johanns  
Governor

## NEBRASKA REAL ESTATE APPRAISER BOARD

Marilyn Hasselbalch, Director  
301 Centennial Mall South  
P.O. Box 94963  
Lincoln, Nebraska 68509-4963  
Phone (402) 471-9015  
Fax (402) 471-9017

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July 11, 2002

Jesse G. Snyder, Chairman  
Appraisal Subcommittee  
200 K Street, NW, Suite 3101  
Washington, DC 20006

Dear Mr. Snyder:

The Nebraska Real Estate Appraiser Board appreciated the opportunity to meet with the very competent Ms. Kathryn Gearheard, Senior Appraisal Policy Manager for the Appraisal Subcommittee, and Ms. Vicki Ledbetter, Appraisal Policy Manager, in the review of Nebraska's effective appraiser regulatory program.

We believe this Program is more than "generally consistent" with Title XI and will respond to the recommendations of the ASC from that perspective. Your letter of May 21, 2002, identified four areas of the Nebraska program that need to be addressed to bring this Program into full compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI"). We will respond to your concerns, noting that Nebraska's record of compliance with Title XI has always been progressive, accountable, cooperative, and responsive. We have followed the rules and set a high standard nationally. We do not claim to be perfect, but we believe Nebraska's appraiser regulatory program operates at a very high level of compliance.

**In response to your concern that the Board is not reporting disciplinary actions to the ASC as specified by Policy Statement 9, Information Sharing:**

Statement 9 addresses the expeditious reporting of any "disciplinary action." It is true Nebraska has not interpreted the Statement to include what it considered non-disciplinary actions, such as recommendations that one or more courses be completed to improve an observed weaknesses in appraisal methodology or technique. We will cooperate in this matter. Since the field review, the records have been searched and names have been added to the Federal Registry disciplinary section of all licensed and certified appraisers who have completed voluntary education. Also added are one or more non-renewals that were under investigation at renewal

### REAL ESTATE APPRAISER BOARD MEMBERS

Len Buckwalter

Lynne Heiden

Dan Strubbe

Chris Mahoney

Frank Mahoney

**In response to your concern that some complaint files lacked documentation regarding the BSGC's considerations supporting its final decisions:**

July 11, 2002. The Nebraska Real Estate Appraiser Board has implemented a review process which includes an independent field or desk review that is Standard Three compliant and is completed by a board-trained reviewer who is certified. A USPAP review form and a guidebook were written by the board for our reviewers. Just as USPAP is sometimes misunderstood, the reviewer, in spite of training, may reject a report because it does not include contractual information the reviewer would include or does not follow a procedure for which the reviewer would like to follow, although, it is in the USPAP to the Federal Register. It is the Board's responsibility to ensure that the reviewer's work is in compliance with the standards. Discussions of the complaint and the findings of the Professional Appraisal Review are placed in the case file and are made available to the discipline. The justification of the discipline is not based on the findings of the Board's standards, but rather on the findings of the discipline. The Board is not a court of law and does not have the authority to enforce its discipline. The Board's discipline is not based on the findings of the Board's standards, but rather on the findings of the discipline. The Board is not a court of law and does not have the authority to enforce its discipline. The Board's discipline is not based on the findings of the Board's standards, but rather on the findings of the discipline. The Board is not a court of law and does not have the authority to enforce its discipline.

**In response to your concern that Nebraska does not always conform to Appraiser Qualification Board ("AQB") Criteria when granting upgrades from Registered appraiser classification to the Licensed classification, we admit to having erred as a result of our misunderstanding.**

Since 1992 it has been the Nebraska Board's Policy that an application is valid for one year, followed by one year in which the applicant is eligible to take the examination. This appears to be well within the AQB 24-month eligibility requirement. The Board acknowledged in discussion with Ms. Gearheard and Ms. Ledbetter that the Registration classification creates the problem. This entry level class requires 90 hours of appraisal education (as of September 2, 2001), and a passing score on the License examination. Registered appraisers who upgraded to the License after two years were not required to retake the License examination. Essentially, they had activated the exam within the two-year requirement. It was a matter of our misunderstanding.

Jesse G. Snyder  
ASC Chairman  
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regarding the need to retake the License examination. We regret that four Registered appraisers were allowed to advance to the License classification without retaking the examination after the AQB's April 28, 1999 "24-month" memorandum. You may be sure that will not happen again. Registered appraisers will take a different examination.

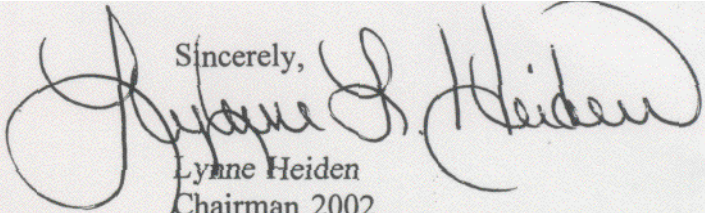
**In response to your concerns regarding what appears to be no indication Nebraska has initiated the necessary changes to ensure AQB adopted revisions to its Criteria will become effective January 1, 2003:**

Actually the process was initiated in November 2000 during the third frustrating and finally successful effort to amend the Nebraska Appraiser Act in September 2001. A phrase was added to the law to secure the Board's authority to implement the AQB Criteria change by rule. Until September 21, 2001, Section 76-2236 read: "Every four years, beginning January 1, 1995, an update seminar of no less than 7 hours, covering the USPAP etc..." The 2001 revision to Section 76-2236 reads: "**As prescribed by rule or regulation of the board and at least once every four years**, an update seminar of no less than seven hours, covering the USPAP shall be included in the continuing education requirement of each credential holder." We believe this amendment clears the way for adoption of the AQB criteria by rule.

On May 21, 2002 the Nebraska Board adopted the AQB Criteria as official Policy. A Rule Hearing will be held as soon as possible in the expectation of adopting this policy into rule.

The Nebraska Real Estate Appraiser Board is dedicated to its mission, providing for the credentialing of qualified appraisers, regulating and supporting those who are credentialed, establishing procedures to ensure that citizen and public policy interest in real estate related transactions will be protected by requiring that real estate appraisals are performed in accordance with uniform standards, by individuals with demonstrated competency and whose professional conduct is subject to effective supervision and protected by due process.

We appreciate the concerns and recommendations of the Appraisal Subcommittee and anticipate this response will reassure you of our commitment to compliance. We always look forward to welcoming to Nebraska the Appraisal Subcommittee and its very capable representatives.

Sincerely,  
  
Lynne Heiden  
Chairman 2002