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Director



DEPARTMENT OF BUSINESS AND INDUSTRY
REAL ESTATE DIVISION

October 24, 2006

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OCT 27 2006

Virginia M. Gibbs, Chairman
Appraisal Subcommittee
2000K Street, NW, Suite 310
Washington, DC 20006

Dear Ms. Gibbs:

During the June 19-21, 2006, field review of the Nevada Real Estate Division appraisal program, staff of the Appraisal Subcommittee (ASC) brought to our attention an issue with experience logs of appraisers who were issued certified credentials. Specifically, during 2004-2005 a number of experience logs with the required number of experience hours did not exhibit that the experience was gained over a 24-month period for certified residential and a 36-month period for certified general.

I will address each concern of the Subcommittee as listed.

1. Nevada immediately implemented procedures to assure that certified credentials were not issued to any individual who did not meet AQB criteria.
2. Nevada has implemented revisions to application processes, documented by written procedures, to ensure that all applicants for certified appraiser credentials meet AQB criteria. As of July 6, 2006, written procedures ensure that a checklist is completed and attached to each application, which assists the licensing staff in determining and assuring the application is in compliance with AQB requirements prior to the issuance of the credential. Sample check lists are enclosed.
3. Nevada responded to the ASC by letter dated September 26, 2006, the names of all appraisers who obtained a certified credential since January 2004. Following the June field review, the Division compiled a list of all original certified credentials issued from January 1, 2004, through June 28, 2006 and later expanded the list through September 1, 2006.
4. Nevada has conducted a thorough and complete audit of files for all appraisers issued certifications since January 1, 2004. In 2004, 32 original certified credentials were issued, all of which have been audited for compliance. In 2005, 63 original credentials

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were issued. To date in 2006, 31 original credentials have been issued. One hundred percent of those credentials issued between January 1, 2004, and September 1, 2006, have been audited for compliance with the AQB experience verification requirements. One hundred twenty six (126) certified credentials were audited along with 31 license files of individuals that had taken and passed the certified exam but have not yet applied for a credential. The list of all files that were audited is enclosed.

5. Appraisers identified in Step 3 as potentially not having the requisite experience were all contacted immediately following the ASC field review. This was documented in the September 26, 2006, letter to the ASC.
6. All certified licensee experience logs for certificates issued since January 1, 2004, have been reviewed. Several appraisers were required to submit additional supporting documentation to support their experience claims.
7. Of the 126 applications that were audited, four required the Division issue a corrected effective date.
8. Upon completion of the Division's audit it was determined that no credentials would require downgrading.

Your letter acknowledges significant improvement in Nevada's complaint and resolution processing, but expresses continued concern that a large percentage of complaints remain outstanding for more than one year. Nevada has worked diligently through legislative and budgetary initiatives to address this concern. Following the June 2000 field review, the Division and Commission worked for more than a year to implement the Appraisal Advisory Review Committee process to assist in the reduction of back log of cases. Since 2001, 41 cases have been processed through the Advisory Review Committee to bring a resolution to the Commission through an expedited and cost effect program. The 2003 field review letter served as justification for the Division to secure a dedicated Investigator position to work with the Appraisal Program Officer in processing complaints. This position was filled October 17, 2005, and not in April of 2006 as your letter suggests. With the addition of this investigator, the number of cases investigated has increased considerably. In fiscal year 2005, 54 investigations were completed by the Appraisal Officer. The investigator position was filled four months into fiscal year 2006, and 86 investigations were completed. With the investigator position filled, the Division will continue to make great progress in complaint and investigative process.

Your letter mentions that Nevada should "continue forwarding quarterly complaint logs to ASC staff." We have never been requested to submit complaint logs to the ASC staff.

During 2007, the Division intends to propose necessary amendments to our law which will address qualifying experience that is USPAP-compliant earned on or after January 30, 1989. The Division will forward a copy of the draft for your review. This process will be concluded prior to January 1, 2008.

Thank you for this opportunity to respond to these issues. Be assured that Nevada has taken every necessary measure to assure compliance with all AQB criteria.

Sincerely,

A handwritten signature in black ink that reads "Gail J. Anderson". The signature is fluid and cursive, with a long horizontal flourish at the end.

Gail J. Anderson
Administrator

C: Debbie Huber, President, Nevada Commission of Appraisers of Real Estate
Brenda Kindred-Kipling, Appraisal Program Officer, Nevada Real Estate Division

Encl. Sample Checklists
List of Audited Files