

□ □ □ □ □ □

Appraisal Subcommittee

Federal Financial Institutions Examination Council

July 16, 2008

Mr. Michael Lara, Chair
Iowa Appraiser Examining Board
Department of Commerce
Professional Licensing Division
1920 S.E. Hulsizer Road
Ankeny, IA 50021-3941

Dear Mr. Lara:

Thank you for your January 10, 2008 letter responding to the Appraisal Subcommittee's ("ASC") November 8, 2007 field review letter. We appreciate your efforts to bring Iowa's real estate appraiser regulatory program ("Program") into compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, ("Title XI"). As discussed in more detail below, it appears Iowa has taken the appropriate steps to resolve our concerns.

- **Iowa regulations regarding continuing education did not conform to AQB criteria.**

The ASC, in its November 8th field review letter, noted that Iowa's regulations regarding waivers and deferrals of continuing education requirements did not conform to AQB criteria. Specifically, Iowa regulations allowed the Board to: 1) grant waivers, modifications or extensions of time to credential holders in order to fulfill the continuing education requirements for individual cases involving undue hardship; 2) place in active status appraisers returning from active military duty for a period of up to 180 days pending completion of all continuing education requirements; and 3) waive 14 hours of continuing education for appraisers credentialed for a period of less than one year.

In your January 10th letter, you stated that the Board rules were amended to conform to AQB criteria and they became effective February 6, 2008. A copy of the amended regulations was provided with your letter. We appreciate your prompt response to bring your regulations into compliance with AQB criteria.

- **Iowa did not maintain complete documentation to support the decision-making process for experience approvals.**

As noted in the ASC's November 8th letter, Iowa's application files were well documented and contained sufficient documentation to confirm that a work product review had actually been performed but they did not contain copies of the appraisal reports that were reviewed and approved by the Board. The ASC's letter also reminded the Board of the importance in maintaining copies of all documentation supporting all activities, including Board decisions, in accordance with State record retention requirements, and at a minimum, until the next full ASC field review.

In your January 10th letter you advised us that the Board had added work product retention to the State record retention requirements and that this change became effective February 6, 2008. We appreciate your prompt actions to remedy this situation.

As a side note, please be advised that the topic of work product retention has come up as a result of the pending proposed revisions to ASC Policy Statement 10 G. We will keep you advised as to what changes, if any, are made in regard to the ASC's position regarding what constitutes sufficient documentation to support the decision-making process for experience approvals.

Our field review letter, your response, and any other previous correspondence between us regarding the field review are now publicly available on our Web site. Please contact us if you have further questions.

Sincerely,

Vicki Ledbetter
Acting Executive Director

cc: Sylvia King, Executive Officer