



JON S. CORZINE  
Governor

## New Jersey Office of the Attorney General

Division of Consumer Affairs  
State Real Estate Appraisers Board  
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ANNE MILGRAM  
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June 20, 2008

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Ms. Virginia Gibbs  
Appraisal Subcommittee  
2000 K Street, N.W., Suite 310

**Re: Your letter of May 2, 2008**

Dear Ms. Gibbs:

On behalf of the New Jersey State Real Estate Appraiser Board, and pursuant to your request for a response within 60 days to the issues raised in the above-referenced letter, this letter is to supplement the response sent on May 7, 2008 by Stephen P. Giocondo, President of the New Jersey State Board of Real Estate Appraisers, and address your concerns.

Before the Board initiates any regulatory or statutory changes, it prefers you to review and approve the proposed changes. These are enclosed for your review. There is no point in the Board proposing regulatory and statutory changes which the Subcommittee later deems inadequate, requiring further changes. Please notify the Board as soon as possible of the result of your review of the Board's proposed changes.

### Temporary Practice permits

Your primary concern appears to be the issue of temporary practice permits, which were not issued within five business days following receipt of a completed application. You are advised that this matter has already been addressed administratively. Procedures have been revised, in that previously the Board's staff required written verification that an appraiser applying for such a permit was in good standing in his/her home state; after meeting with the ASC representatives, this practice has been changed. The Board staff now verifies the good standing of applicants on-line. This should eliminate any delay beyond five days in issuance of temporary practice permits.

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You are further advised that the Board proposes to modify N.J.A.C. 13:40A-2A.5, which presently imposes no time limit on a temporary practice permit, to make it clear that extensions will be granted upon request, so long as the appraiser retains a valid license in his/her home jurisdiction.

Your reference to the statutory provision for a temporary practice permit lasting up to 420 days prompted a review of that section of the statute. The temporary practice permit referred to in the statute was, at the time, a measure resorted to when the licensing process was first implemented in 1991. It did not apply to applicants from other states, but New Jersey applicants who had not yet obtained licensure. This is an outdated provision, and the Board intends to seek its removal from the statute, along with other statutory changes you suggest.

Amendment of N.J.A.C. 13:40A-5.10

You have indicated that the Board must modify its regulation allowing for waiver of continuing education requirements in some instances to conform with AQB requirements. The counsel to the Board indicates that it has been her understanding that the Board was required to adhere to the AQB requirements with respect to appraisers in federally related transactions, and therefore that notification of the ASC was imperative where appraisers had not met such requirements. However, it was also counsel's understanding that, pursuant to what is generally referred to as "state's rights," or the Tenth Amendment, the states were at liberty to determine their own policy on waiver of continuing education requirements with regard to non-federally related transactions. Is it the opinion of your legal department that this is inaccurate? Please advise.

At any rate, rather than become embroiled in a legal dispute with the ASC, the Board will amend its regulation to conform with your instructions. However, this "state's rights" issue is likely to present itself again, with other states, and in other situations, and I am requesting that you provide the Board with the legal rationale for your instruction.

Miscellaneous Statutory and Regulatory Amendments

A memorandum has been prepared to be forwarded to the legislative liaison, Stephen A. Frankel, specifying the statutory amendments you suggest. A copy of the memorandum is enclosed. You will note that the statutory provision for "temporary practice permits" is also addressed in this memorandum.

The amendment to the language of N.J.A.C. 13:40A-5.4 has been addressed with the Board's regulatory analyst.

The Board awaits your reply before initiating the process for initiating regulatory/statutory changes.

Very truly yours,

**NEW JERSEY STATE BOARD  
OF REAL ESTATE APPRAISERS**

By: \_\_\_\_\_

**Dr. James S. Hsu**  
Executive Director

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