

Approved _____

Date

3/21/89

MINUTES OF THE Senate COMMITTEE ON Federal & State Affairs

The meeting was called to order by Senator Edward F. Reilly at _____
Chairperson

11:05 a.m./~~p.m.~~ on March 15, 1989 in room 254-E of the Capitol.

All members were present ~~except~~.

Committee staff present:

Mary Ann Torrence, Revisor of Statutes Office
Mary Galligan, Legislative Research Department
Tom Severn, Legislative Research Department
Marty Robison, Secretary

Conferees appearing before the committee:

David Craig, American Institute of Real Estate Appraisers
Karen France, Kansas Association of Realtors
Courtley Jackson, Kansas Appraisers for Certification
Errol Wuertz, Real Estate Appraiser, Hays
Melba Forrest, National Assoc. of Independent Fee Appraisers
Mike Rinner, KS Chapter, Am. Institute of Real Estate Appraisers
Gene Yockers, Kansas Real Estate Commission
Dennis Totman, Natl. Association of Master Appraisers

Chairman Reilly called the meeting to order.

A hearing was held on SB 324 which deals with the certification for real estate appraisers.

David Craig appeared before the committee to give a historical perspective of the need for a voluntary state certification program. The Office of Management & Budget (OMB) Circular #129 requires the use of state certified appraisers on certain appraisals by July 1, 1991. This bill sets forth the minimum requirements for certification which have been endorsed by the Appraisal Foundation (Attachment 1).

Karen France said the National Association of Realtors (NAR) supports voluntary implementation by states of certification. They believe that the Federal Government will set up some mechanism for the state certification if a program is not created. The OMB Circular provides sufficient guidelines for the states to enact their own requirements. This would apply only to appraisers desiring to do "federally related" transactions (Attachment 2).

Courtley Jackson testified that any bill regulating appraisers must be patterned after the OMB Circular. The only difference between SB 324 and the model bill is that a classification for agricultural appraisers has been added. Since it will take up to a year to begin the process of becoming certified, he asked the committee to act as quickly as possible (Attachment 3).

Errol Wuertz would support this bill with two changes. He would request a broader base of representation on the board by having four different appraisal organizations represented. The second request would be to change the 15 classroom hour requirement on line 289 to 14 hours (Attachment 4).

Melba Forrest said her organization would support SB 324 with the two amendments offered by Mr. Wuertz (Attachment 5).

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Federal & State Affairs,
room 254-E, Statehouse, at 11:05 a.m./~~p.m.~~ on March 15, 1989

Mike Rinner said he supports this bill because poor appraisals contribute to bad bank loans and perhaps to bank and savings & loan failures. He believes this bill will establish competency and integrity as minimum standards.

Gene Yockers requested the committee consider 5 amendments to the bill (Attachment 6).

Dennis Totman told members that he would like "Appraisal Foundation" struck from the bill because they discriminate against 27 other organizations which are not members. He would also suggest that all appraisers be licensed, in addition to the voluntary certification this bill calls for. Opposition was also noted to line 286 which allows for courses from Appraisal Foundation members or approved by the board. He said his Association endorses model legislation as proposed by NARELLO (Attachment 7). A copy of the brochure "Master Appraisers" is on file in Senator Reilly's office.

Chairman Reilly called the committee's attention to a letter from the National Association of Real Estate Appraisers in opposition to the Appraisal Foundation (Attachment 8).

Chairman Reilly appointed a subcommittee of Senator Ehrlich, Chairman, and Senators Bond and Anderson.

The meeting was adjourned at 12:07.

GUEST LIST

COMMITTEE: Senate Federal & State Affairs

DATE: 3/15/89

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Howard Snyder SRA	4811 W 77 th Place ^{Prairie Village}	Society of Real Est. Apprs
Tera Cameron IFA	700 Spruce, Leavenworth, KS	NAIFA - ^{KS} Chapter
Mickie Nickel, IFA	700 SPRUCE LEAVENWORTH KS 66048	NAIFA KS CHAPTER
Melba FORREST, IFA	25 LAUREL DR, WICHITA, KS - 67206	NAT'L ASSOC. OF INDEPENDENT REAL APPRAISERS
JACK FORREST, IFA Assoc.	25 LAUREL DR WICHITA, KS. 67206	NAIFA
THOMAS J. POWELL IFA	7 N Jefferson TOPEKA KANSAS 66749	NAT'L. ASSOC. OF INDEPENDENT Fee Apprs
Colin F. Lorentz	1315 Robinson Fredonia, KS	Colnari Ent. Hld. Inc. IFA
EDWARD L. Liggins	700 Spruce Leavenworth, KS	NAIFA
JEAN P. SALYER	1402 STRATFORD, Wichita, KS	N.A.I.F.A.
ALBERT P KOHICH	2734 N 77 th ST K.C. 125.	NAMA
Earl H White	2810 Oakworth	Int'l R/W Assoc.
JOHN C, MARSHALL	1233 SW SALINE ^{TOPEKA, KS 66604}	SOC. OF REAL ESTATE APPR. SREA - SRA (FEE APPR)
Genevieve Hoffman	5603 S 107 th E, Derby ⁶⁷⁰³⁷	NAMA
JEFF SONNICH	TOPEKA	KLSI
ERROL G. WUERZT, SR. F.I.F.A	1008 E. 17 th Hays, KS. 67601	N.A.I.F.A.
GAIL W HOFFMAN	5603 S 107 th S, Derby, KS 67037	NATIONAL ASSOCIATION OF MASTER APPRAISERS
Dennis M. Totman	Box 42 Wreneding, KS 66711	NAT'L ASS' of MASTER APPRAISERS
Ron Hoffman	Rose Hill, KS P.O. Box 67133	Nat'l Assoc of Master Appraisers
Juniene M. Hoffman	P.O. Box 124 Rose Hill, KS. 67133	National Assoc. of Master Appraisers
Chuck Stones	Topeka	KS Bankers Assn
Kathy Stones Taylor	"	"
KENNETH L. NICHOLSON	8575 W 110 th - STE 102 OURELARD PARK KS	DISTRICT GOVERNOR SOCIETY OF REAL ESTATE APPR.
MIKE RINNER	550 NW 35 th TOPEKA, KS	President, Kansas Chapter N.Y.S. American Institute of Real Estate Appraisers
DAVID W CRAIG	1420 BANK IV TOPKA KANS 66603	MEMBER APPRAISAL INSTITUTE TRUSTEE APPRAISAL FOUND.
KAREN L. FRANCE	Topeka	KS. ASSOC. OF EVALUATORS

Written Testimony of
David W. Craig, MAI, CRE
Senate Federal and State Affairs Committee
Regulation of Appraisers

HISTORICAL PERSPECTIVE

The real estate appraisal profession has historically been unregulated. Approximately 10 states require that real estate appraisers have a real estate salesman's license and two states require a specific license for appraising. Most full-time real estate appraisers have received education from one of the many appraisal organizations and been granted a designation. Many employers of appraisers require that the appraiser have a specific designation where the employer is aware of the requirements for obtaining one.

In approximately 1983 when it became apparent that questionable real estate loans were being made by thrift institutions, the Federal Home Loan Bank Board adopted more stringent regulations setting forth standards to be followed in appraisals for thrift institutions insured by the FSLIC. In 1985, Congressman Barnard held hearings in Washington, DC on the impact of faulty and fraudulent appraisals on federally-insured financial institutions. I testified at those hearings on behalf of the American Institute of Real Estate Appraisers and suggested a system be set up for real estate appraisers similar to the system for Certified Public Accountants. This would be a voluntary system meaning that appraisers could elect not to become certified, although certain appraisals would require a state certified appraiser.

In 1986, Congressman Barnard issued his report indicating that as a result of his investigation, it was apparent that a significant part of the loss to the federally-insured thrift institutions was due to faulty or fraudulent appraisals.

FEDERAL LEGISLATION

In 1987, Congressman Barnard introduced legislation to create a new federal agency to certify appraisers nationally until such time as the states adopted state certified appraiser programs with adequate requirements, standards and ability to discipline.

The Barnard bill would require states to create the requirements for a state-certified appraiser. If a state failed to act, an appraiser would have to be certified by a federal agency in order to appraise property for what is defined as a federally covered transaction.

Congressman Barnard's bill has been amended and passed by two sub-committees and is currently before the Banking Committee in the House of Representatives with some chance of passing yet this year.

In addition to the Barnard bill, an OMB circular has been approved, a copy of which has been provided to the Committee, which requires appraisers to be state-certified in order to do appraisal work for certain federal agencies.

INDUSTRY EFFORTS

In 1986, the eight leading national appraisal organizations met and adopted the Uniform Standards of Professional Appraisal Practice which have since been turned over to the Appraisal Foundation.

The Appraisal Foundation was formed in 1987 with the eight appraisal organizations as regular members having trustees, six outside organizations with trustees and two at-large independent trustees. The purposes of the Appraisal Foundation are to select and fund (1) an independent Appraisal Standards Board to set forth standards for the appraisal industry (similar to the activity of the Financial Accounting

Standards Board), and (2) a Qualification Board to recommend required qualifications for state-certified appraisers.

The Appraisal Foundation has selected members to serve on the Appraisal Standards Board and the Qualification Board. These two boards are referred to in Barnard's legislation as being the source of the standards and qualifications for state-certified appraisers.

RECOMMENDATIONS

A model bill has been approved by the Appraisal Foundation which we have presented to you for your consideration.

We are proposing certification of appraisers as opposed to mandatory licensing. This is because with licensing it would probably be necessary to grandfather everyone, no matter what their qualifications, who claim to be doing real estate appraisals. This has been true in every state that has passed any kind of mandatory licensing requirement.

With voluntary certification, only those appraisers who chose to meet the requirements as recommended by the Appraisal Foundation or set forth by the state agency in charge of certification would need to meet the requirements.

Those of us who do a considerable amount of appraising for federally-insured institutions or other federal agencies need a state certification program or we will be regulated by a federal agency in Washington, which we do not believe is desirable.

This program has been exposed to most of the appraisers in the state who belong to an appraisal organization and a vast majority of those people are in favor of the state certification program.

Thank you for your consideration, and if I can answer any questions for you, my office is in Suite 1420, Bank IV Tower, Topeka, Kansas 66603. My phone number is (913) 233-2072.



Executive Offices:
3644 S. W. Burlingame Road
Topeka, Kansas 66611
Telephone 913/267-3610

TO: THE SENATE FEDERAL AND STATE AFFAIRS COMMITTEE
FROM: KAREN MCCLAIN FRANCE, DIRECTOR, GOVERNMENTAL AFFAIRS
DATE: MARCH 15, 1989
SUBJECT: SB 324, APPRAISER CERTIFICATION

On behalf of the Kansas Association of REALTORS®, I appear today in support of SB 324 and the Certification of real estate appraisers.

Our NATIONAL ASSOCIATION OF REALTORS® (NAR) has taken the position that the Federal Government should make no law and take no action regarding the licensing or certification of appraisers. The NAR supports voluntary implementation by states of certification, rather than the creation of another Federal bureaucracy.

The Kansas Association of REALTORS® feels strongly that there is a problem which needs to be addressed here. We feel that, in the event this state does not act to create a Certification program for appraisers, the Federal Government will set up some new mechanism to do it for the state of Kansas.

Although under Congressman Barnard's bill, the Federal Government body whom they determined will do the regulating of appraisers is supposed to sunset after 5 years, we have yet to think of one example of a government agency which has sunset itself, let alone a Federal regulatory body.

The OMB Circular which has been passed will already set up the parameters for the minimum requirements of appraisers and appraisals. This will create sufficient guidelines for the states to enact their own requirements. However, if the state of Kansas does nothing towards enacting their own statutes, then there will only be approximately only 100 people in the state who will be

qualified to perform the appraisals for "federally related" transactions. This will severely increase the time it takes for loans to be approved in rural areas, because they will have to wait for qualified appraisers to come to do the appraisals. We do not think anyone gains by delaying the time it takes to close on a loan. In particular, our interest in this issue lies in the fact that we feel persons who are in the process of buying a home do not need the added worry of how long it will take a lender to get an appraisal.

The Kansas Association of REALTORS® is looking for the least onerous means to handle the problem--the least onerous for consumers, the least onerous for those who are appraisers, and the least onerous for the state to administer. We support voluntary certification of appraisers for those appraisers who would seek to do the types of appraisals involved. We feel licensure would force anyone doing any kind of appraisals to take educational courses, exams, etc. We feel this is too onerous, and decreases the number of persons available to the public for appraisals for estates, property exchanges, etc. No one benefits from this type of proposal.

The certification proposal would establish a system similar to the Certified Public Accountants. As you all know, all accountants are not CPA's, but accountants who are not CPA's still provide a very meaningful function. Those accountants who want to go the extra mile to become a CPA can do so. If they do not want to do so, they can still earn a very solid living. Certain accounting projects, however, must be done by CPA's. For example, anything done for the Securities Exchange Commission must be done by a Certified Public Accountant.

This is how we envision the certified appraiser system to work. If an appraiser does not perform the appraisals for the federally related transactions, then they can go on doing business the way they do it now. If, however,

they want to do the appraisals for the federally related transactions, they are going to have to go the extra mile like the CPA. We feel this is the most simple solution to the problem at hand.

We ask that this committee pass this legislation out favorably so we can get the process started for establishing a system for the certification of appraisers in Kansas. In order to handle the regulations which will be coming from the Federal Government, Kansas needs to get the ball rolling with legislation of its own. We stand ready to assist this process in any way we can.

Thank you.

KANSAS APPRAISERS FOR CERTIFICATION

P.O. BOX 48102
WICHITA, KS 67201-8102

American Institute of Real Estate Appraisers
American Society of Farm Managers and Rural Appraisers
National Association Independent Fee Appraisers
Society of Real Estate Appraisers

Courtley A. Jackson, SRA
517 S. Market
Wichita, KS 67202
(316) 265-7880

David Craig, MAI
1420 Bank IV Tower
Topeka, KS 66003
(913) 233-2072

I am Courtley Jackson and I am the legislative chairman for the Kansas Chapters of the Society of Real Estate Appraisers.

The Society along with the other appraisal organizations, the Kansas Association of Realtors and the Kansas Real Estate Commission support Senate Bill #324.

This bill is very similar to the Model Certification bill as proposed by the Appraisal Foundation. The Appraisal Foundation, a group of eight Nationally recognized Appraisal Organizations have become the leader for appraisal standards. The OMB Circular bill and other proposed legislation by congress to regulate the appraisal industry refer to the Appraisal Foundation for minimum appraisal standards.

We believe that any bill regulating appraisers in Kansas must be patterned after this model bill. Any federal legislation will require that states certifying appraisers must meet minimum standards endorsed by the Appraisal Foundation.

The major difference between this bill and the Model bill proposed by the Foundation is that the Kansas bill has added a classification for agricultural appraisers. We believe this bill will meet federal standards.

There are a few minor adjustments of this bill that the various appraisal groups and the Kansas Real Estate Commission are jointly discussing. However, this bill is ready for your consideration.

It is imperative that this committee act as quickly as possible in order to have this bill considered by the senate this year. We believe it will take up to a year after this bill is passed before appraisers in Kansas can start the process of becoming certified. The consequences are grave if we do not act now before Federal Legislation takes effect.

In conclusion, real estate appraisers in Kansas along with the Kansas Real Estate Commission and the Kansas Association of Realtors support and endorse this bill. To our knowledge, we are unaware of any opposition to this legislation. We urge and hope you will act immediately so that this bill can be considered this session.

SF SA
3-15-89

Attachment 3

ERROL WUERTZ & ASSOCIATES

REAL ESTATE APPRAISERS • CONSULTANTS

1008 E. 17TH STREET • HAYS, KS 67601 • BUS. (913) 628-3124 • RES. (913) 625-2128

**STATEMENT OF ERROL G. WUERTZ, SR., I.F.A.
PRESIDENT OF THE HAYS CHAPTER
NATIONAL ASSOCIATION OF INDEPENDENT FEE APPRAISERS**

before

FEDERAL AND STATE AFFAIRS COMMITTEE

MARCH 15, 1989

Mr. Chairman, members of the committee, my name is Errol Wuertz, I.F.A., President of the Hays Chapter of the National Association of Independent Fee Appraisers, Assistant State Director of the N.A.I.F.A., and a designated independent fee appraiser. I am speaking for the four Kansas chapters of the National Association of Independent Fee Appraisers. The state director is here and 2 designated members are present.

Thank you for the opportunity to appear before you to share the concerns of my members regarding Senate Bill 324.

I want you to know that my members support this legislation, but with some slight changes. It is important that we have appraisers that the public can depend on. This legislation will achieve that goal by providing ethical and competent appraisers. The legislation before you today must be fair and equitable to all those involved and I wish to ask you to consider the following changes as you study its merits.

If you will refer to page 4 beginning at line 126 this paragraph states how the appointments to the proposed real estate appraisal board will be made. Specifically, I would ask you to look at line 129 where it says;" The real estate appraiser members first appointed to the board shall be designated members in good standing of a real estate appraisal organization that is a regular member of the appraisal foundation and at least three different appraisal organizations shall be represented in the four appointments. I would ask that the word **first** be stricken and that the number of organizations represented be change from **three** to **four** different appraisal organizations. There are eight major appraisal organizations that are members of the foundation. It is more equitable to make sure that there is a broader based representation on this board by having the four different representatives.



SF&SA
3-15-89
Attachment 4

The second point I would like you to consider is on page 8 beginning at line 289; "(B) satisfactory completion of 15 classroom hours related to standards of professional practice and the provisions of this act." You may have received letters from me and other members of the N.A.I.F.A. stating that seven hours would be sufficient to meet this requirement. Our State Director, Edward Liggins, has visited with Ken Nickelson, the regional director for the Society of Real Estate Appraisers, and during their conversation they agreed that 14 instead of 15 hours would be acceptable to all concerned. The courses that we attend give us credit for seven calssroom hours per day. If the requirement were for 14 hours then this would require us to attend one two day session. This would be preferable to taking a two day course and then trying to find a course that would give the additional hour to meet the proposed requirement of this legislation.

We believe this legislation is needed and it should be handled at the state rather than at a national level. The public would be better served and our lenders would be assured of having qualified and ethical appraisers doing their work. Again, I would ask you to consider these slight changes in the bill to make it more equitable to all concerned. If you have any questions I would be happy to answer them.

Thank you for the opportunity of addressing you to express our views.

NATIONAL ASSOCIATION OF
Independent Fee Appraisers

WICHITA CHAPTER

25 Laurel Drive
Wichita, Kansas 67206
(316) 684-1685

March 15, 1989

To: SENATOR EDWARD REILLY, Chairman, and
Members of the Federal and State Affairs Committee

Re: Senate Bill #324 (Certification of Real Estate Appraisers)

I am Melba Forrest, IFA Designated Appraiser and President of the Wichita Chapter of the "National Association of Independent Fee Appraisers" (NAIFA).

We support the Appraisal Certification Bill #324, dated February 24, 1989 with the changes (listed below) presented and requested by Mr. Errol Wuertz, NAIFA Assistant State Director.

- (1) Board membership of 4 appraisers representing 4 organizations of the 8 member Appraisal Foundation; as we believe this to be more equitable.
- (2) 14 classroom hours of Professional Standards Education.

We support the position as set forth by the 4 Kansas NAIFA Chapters.

Thank you for your time and consideration.

Sincerely,



Melba Forrest, IFA
Wichita Chapter President
National Association of Independent Fee Appraisers

SF & SA
3-15-89
Attachment 5

Senate Federal and State Affairs Committee
March 15, 1989
Senate Bill 324

Mr. Chairman and members of the committee:

My name is Gene Yockers, and I am the director of the Kansas Real Estate Commission.

After reviewing Senate Bill 324 at their meeting on Monday, the commission requested that the committee consider the following amendments.

Section 4(a) - Amend lines 122-125 to read:

"There is hereby established the real estate appraisal board which shall be attached to the Kansas real estate commission for purposes of management functions."

Section 6(a)(7) - Amend lines 198 and 199 to read:

The commission shall . . . "submit the annual budget, as assisted by the board, to the department of administration."

Section 7(a)(2) - Amend line 207 to read:

"For original certification, a fee not to exceed \$200."

Section 3 [lines 75-121]

If the effective date of the statute is July 1, 1989, amend Section 3 to provide that its provisions be applicable on and after January 1, 1990.

Section 7(d) [lines 215-224]

The commission requested, in lieu of operating two programs through the existing real estate fee fund, that consideration be given to establishing a separate appraiser fee fund for the deposit of fees collected under the act and to provide for expenditures incurred by the board and reimbursement to the commission for its administrative costs.

The commission also requested that the committee suggest a method of furnishing start-up fees from the general fund until fees are generated to cover the on-going costs.

If the bill is referred to a subcommittee, the commission has authorized staff to work with the subcommittee and suggest other changes to the bill as appropriate.

SF & SA
3-15-89
Attachment 6



Real Estate Services



Dennis M. Totman, MSA, AAR

Box 42, Arcadia, KS 66711

(316) 638-4440

March 8, 1989

Federal And State Affairs Committee
State Capitol, Rm 255 East
Topeka, KS 66612

Dear Senators,

You will be holding a hearing on the Appraisal Certification Bill #324 very shortly and I would like to bring your attention to a matter that is important to myself and the National Association of Master Appraisers.

The Bill alludes to the Appraisal Foundation on line 132 and states that the members first appointed to the board shall be designated members of the appraisal foundation. I would like to see the words "appraisal foundation" struck from the bill entirely. From my point of view the foundation has played omniscient gods by excluding other organizations from their membership. This prejudice cannot be tolerated in the appraisal profession or in the legislation of appraisers in our great state. The appraisal foundation has blocked entry attempts of the National Association of Master Appraisers and the membership of other appraisal organizations for their own self-righteous reasons. Some appraisal organizations have designations that can be purchased and I agree they should be overlooked, however, the National Association of Master Appraisers is not that type of organization yet this legislation omits their initial participation.

I have enclosed a brochure for your review to illustrate the requirements to join the association. I would like to point out that the MSA designation requirements have been raised requiring three years experience before the designation is granted. Education requirements have to be met, unlike the American Institute and Society of Real Estate Appraisers (both members of the foundation) who

-1-



SFOSA
3-15-89
Attachment 7



allow the participant to "Challenge" the exam and not take the class. NAMA requires the class and successful completion of the examination. NAMA also required continuing education before the members of the foundation did.

The argument has been put forth that there doesn't need to be any more appraisal organizations, yet there must be a need because NAMA is one of the fastest growing organizations where a designation cannot be bought. NAMA has grown rapidly for several reasons. Among which is the open minded attitude of its leadership, educational offerings, and it's commitment to advancement of the profession. My personal reason for joining NAMA was that it wasn't as costly as other organizations and the requirements didn't include a college degree. That does not mean that I am not committed to furthering my education or the advancement of the appraisal profession. Just that I could not afford to pay \$400 per class or have the time to get a college degree.

There is a professional prejudice between the organizations that you should not allow into Kansas legislation. To say that only members of the foundation should be the first appointed members is like starting a Christian church and not allowing the baptists to participate or have any input. I fear that the board members will perpetuate this type of attitude and derail the excellent intentions of this bill. Legislation is certainly necessary and this is a step in the right direction but the prejudicial nature of the foundation should not be allowed in the bill because of the thirty-eight plus members of the National Association of Master Appraisers in the state of Kansas and various other organizations that may be slighted by this legislation. Every appraiser in the state would have to meet education requirements to be certified anyway, although I agree board appointees should belong to a professional association, what difference does it make if the organization is a member of the foundation or not. Especially considering the prejudice the foundation has put forth toward the National Association of Master Appraisers.

I would also like the allusion to the "appraisal foundation" struck from the bill on line 288 as it applies to educational standards. This appears to constitute a question concerning possible restraint of trade. While I have great respect for the class offerings by members of the foundation I don't think it is appropriate or necessary to allude to the foundation. The board should review all educational offerings that apply to the board for approval, regardless of their affiliation. The way I read

the statement gives the impression that anything other than foundation offerings are substandard. Every educational offering should stand on it's own merits.

I fear that if only foundation members are first appointed to the board their organizations' will get automatic approval and all other course offerings will have to fight for approval. As you are aware legislation should be fair and equitable to all, not foundation members only.

I hope you will review this matter thoroughly and take the equitable and necessary steps I respectfully request. The foundation supports other legislation as does the National Association of REALTORS so their inclusion into this proposed legislation seems unnecessary.

I urge you to approve this legislation, but only after you have stood up for the fair treatment of all appraisers in Kansas, regardless of their professional affiliation.

Respectfully,



Dennis M. Totman, MSA, AAR



Real Estate Services



Dennis M. Totman, MSA, AAR

Box 42, Arcadia, KS 66711

(316) 638-4440

Testimony to be given before the Federal and State Affairs Committee-State Capitol, Topeka, KS, March 15, 1989.

The National Assn. of REALTORS and NAMA Officially endorse model state legislation as proposed by NARELLO. Not House bill #324 in it's present form.

I am conditionally favoring this legislation. The conditions are as follows:

1. That certain references to the Appraisal Foundation is stricken from the legislation. There is no need to invoke the words "Appraisal Foundation" as it is biased and prejudicial toward other appraisal organizations. One member of the foundation, the American Institute of Real Estate Appraisers approves of the NARELLO model legislation so it seems equitable to rely on the NARELLO model for guidance. One instance for model substitution is line 130. It reads: " The real estate appraiser members first appointed to the board shall be designated members in good standing of a real estate appraisal organization that is a regular member of the appraisal foundation....."

This statement displays bias and discriminates against 25 plus (example) appraisal organizations that are not members of the appraisal foundation for one reason or another. The Appraisal Foundation was originally formed to establish model legislation and to establish uniform standards for the industry. Recently The National Association of Realtors and the National Association of Real Estate License Law Officials have taken the position that model legislation is more appropriately a NARELLO function, and that responsibility for standards lies with the Foundation. (Reported in the Master Appraiser, March '89) The American Institute of Real Estate Appraisers, a member of the foundation, appear to agree with NAR and NARELLO because of their endorsement of NARELLO's model legislation.



7-4

There are other ways to insure that the members first appointed to the board are qualified to act in that capacity. One suggestion being that the NARELLO example replace the sentence covering board appointees.

It states: "Each of the real estate appraiser members first appointed to the board shall possess a minimum of ten years of active experience as a real estate appraiser, or shall be a designated member in good standing of a real estate appraisal organization that as of January 1, 1989, required appraisal experience, appraisal education and testing to become a designated member and required adherence to generally accepted standards of professional appraisal practice in order to retain such designation." This implementation would eliminate discrimination against all appraisal organizations and would effectively qualify those members who were possible appointees in one motion.

2. I would suggest that all appraisers in the state be licensed in addition to the voluntary certification this bill calls for. Licensing being the meeting of minimal educational standards established by the board and certification being the passage of examinations to be demonstrative of proficiency in each level of certification.

There are appraisers in Kansas who deliver unacceptable reports to their clients without any sort of factual documentation to justify the value rendered. I've seen all too many \$50 appraisals which constitute nothing more than a con job against the client. This is a direct result of no licensure requirements in the state. I would like to point out that the state of Nebraska recognized this need and presently has licensing in place. Should we license sales people to protect the public and overlook appraisers who have a somewhat greater impact on transactions than sales people? Not to mention the effect that appraisers have on the banking industry. It is irresponsible to overlook licensure. To effectively regulate any industry or profession, mandatory licensure is essential. Could you imagine voluntary certification for physicians without licensure? This bill is going down that same path. Licensure should be extended to cover lawyers, accountants, sales people, brokers, and any other party that may deliver an opinion of value of real estate for compensation. If they are going to render an opinion of value to the public and represent themselves as qualified to render such an opinion of value they should be licensed to insure their competency to render that opinion of value. Or, provided,

that this opinion of value or listing price shall not be referred to as an appraisal but as an estimate or other suitable terminology, and provided further that no compensation, fee or other consideration is charged for such opinion, other than the commission or brokerage fee that is paid or charged in connection with the sale of the real estate involved.

I am required to be licensed as a sales person or broker to be a member of my local Multiple Listing Service to protect the public. I think it's only appropriate that if the public is going to be protected with any degree of certainty, licensing is essential. If we as appraisers want to elevate the profession to a higher plane, we must insist on licensing. There is no other way to insure competence in our profession or protect the public from appraisers that "buy" their credentials. Voluntary certification is not enough. Finally, "grandfathering" should not be accepted or allowed for the reasons already given.

3. I am also in opposition to the statement on line 286 which reads: "...courses in subjects relating to real estate appraisal from a real estate organization that is a regular member of the appraisal foundation or a school, college or university approved by the board. "

This statement implies that appraisal foundation courses are acceptable while other courses must meet with board approval. While this may not be the case or intention I feel a neutral statement should be implemented. This bill should be free from any all prejudices or judgements so no bias or prejudice is construed whether warranted or not. Again, NARELLO model legislation has a suitable inoffensive substitute. It states: " The courses of study referred to in item, (in this case, Sec. 11, 1, a.,) must be conducted by (1) an accredited university, college or junior college;(2) an approved appraisal society, institute or organization; or (3) such other school as may be approved by the commission." The words "Commission or Board" being used however the case may be.

Legislation governing appraisal activity is necessary but licensure and certification absolutely must go hand in hand. Professional standards have to be established if we appraisers are going to overcome the tide of cheap unvalidated appraisal work that is life-threatening to the lending community and the unacceptable to the public. It is in our best interest to elevate the profession in Kansas

by endorsing legislation that is free of bias toward any one group. Through cooperation and input from all parties we will protect ourselves and the public we serve, from federal legislation and unsatisfactory appraisal work being done by unqualified people who are presently allowed to call themselves appraisers and act as such without any educational background what so ever.

With the proper revisions to this bill we can accomplish this task in the best interest of the appraisal industry, not to mention ourselves.

MEMBERS OF THE APPRAISAL FOUNDATION

1. American Institute of Real Estate Appraisers
2. Society of Real Estate Appraisers
3. American Society of Farm Managers and Rural Appraisers
4. National Association of Independent Fee Appraisers
5. American Society of Appraisers
6. International Association of Assessing Officers
7. International Right of Way Association
8. National Society of Real Estate Appraisers

APPRAISAL ORGANIZATIONS-NOT MEMBERS OF THE FOUNDATION

1. Academy of Appraisers and Consultants
2. Academy of Residential Estate Appraisers
3. Accredited Review Appraisers Council
4. American Association of Certified Appraisers
5. American Fraternity of Real Estate Appraisers
6. American Real Estate Appraisers Guild
7. American Real Estate Society
8. American Society of Professional Appraisers
9. Appraisers Common Cause
10. California State Association of Real Estate Appraisers
11. Columbia Society of Real Estate Appraisers, Inc.
12. Federation of Underwriters/Appraisers, Inc.
13. International Organization of Real Estate Appraisers
14. International Real Estate Institute
15. National Appraisal System
16. National Association of Certified Property Appraisers
17. National Association of Master Appraisers
18. National Association of Real Estate Appraisers
19. National Assn of Review Appraisers/Mortgage Underwriters
20. National Residential Appraisers Institute
21. National Society of Fee Appraisers
22. National Society of Real Estate Appraisers
23. Organization of Professional Real Estate Appraisers.
24. Professional Women's Appraisal Organization
25. World Wide Professional Real Estate Appraisers.
26. Institute of Business Appraisers, Inc.
27. Massachusetts Board of Real Estate

Appraisal Membership in Surrounding States

	Institute	NAMA
Arkansas	35	55
Colorado	64	10
Iowa	53	291
Missouri	115	21
Nebraska	51	22
Oklahoma	<u>56</u>	<u>375</u>
SubTotal	374	774
Kansas	<u>57</u>	<u>39</u>
Totals	431	813

Based upon 1989 Membership Directory Listings

Master Appraiser™

Official Publication of the National Association Master Appraisers

Vol. VII No. 3 March 1989

NAMA Endorses NARELLO Model Appraisal License Act

The National Association of Master Appraisers (NAMA) officially endorsed the model state appraiser legislation act as proposed by the National Association of Real Estate License Law Officials (NARELLO).

The model legislation has also been endorsed by the National Association of Realtors (NAR).

According to NAMA President Marvin T. Deane, MSA, the endorsement was based on the recommendation of Harry Joachim, MSA, Chairman of the Select Committee on Appraiser Regulation.

Joachim, who is also chairman of the NARELLO Appraisal Committee which developed the proposed act, stated that the act had been under development since 1987, and that "... (NARELLO) put a great deal of time and effort into the development of the proposed legislation to insure that the final product was equitable to all interested parties, ... free of bias toward any one group of individuals, organizations, schools or the public. We gave consideration to everyone".

According to Deane, the act differs significantly from one proposed by the Appraisal Foundation. "The Foundation" proposal calls for voluntary certification only, and was the basis for recent legislation in Louisiana and Florida. The major difference is the NARELLO act provides for what has been termed a "two tier approach". The two tiers consist of mandatory licensure with voluntary certification.

"The NARELLO act would require licensure of all appraisers, and would

also provide for voluntary certification, if desired by the individual appraiser," Deane said.

Joachim, who is also Chairman of the Mississippi Real Estate Commission, said, "to effectively regulate any industry or profession, mandatory licensing is essential. Could you imagine voluntary certification for physicians? On the other hand, some states have traditionally been reluctant to

regulate the practice of appraisal in any way. Certainly, voluntary certification has the potential of providing greater protection to the public than no certification".

According to a NAR Spokesman, the American Institute of Real Estate Appraisers, a key member of the Appraisal Foundation has also ap-

proved the NARELLO act. Another key member group, The Society of Real Estate Appraisers, continues to support the Foundation act, according to the January issue of its publication "Briefs".

Don Featherston, MSA, and editor of the *Accredited Review Appraiser*, speaking for the Accredited Review Appraisers Council, a NAMA affiliate, agreed with Joachim concerning protection of the public, but added that problems within the lending community were what had prompted the certification and licensing activities, as opposed to direct protection of individual members of the public.

Featherston said, "the insolvency of the FSLIC, and the resulting bail out necessary by the federal government is the primary concern. Congressman Barnard's unsuccessful 1988

NARELLO continued from page 1

proposed legislation (HR 3675) was actually designed to encourage states to regulate appraisers with a result of greater protection for the federal insuring agencies. It would seem that mandatory licensing, with or without the (voluntary) certification would be the most desirable way to accomplish this."

... The NARELLO proposal appears to be more acceptable to NAMA members than the Foundation's model legislation, since the Foundation's proposal may discriminate against appraisers who are not affiliated with a Foundation member group.

He said that the Appraisal Foundation was formed for two reasons: to establish model appraisal legislation, and to establish uniform standards for the industry. "It now appears that both NARELLO and the National Association of REALTORS have taken the position that model legislation is more appropriately a NARELLO function, and that responsibility for standards is with the Foundation."

The NARELLO proposal appears to be more acceptable to NAMA members than the Foundation's model legislation, since the Foundation's proposal may discriminate against appraisers who are not affiliated with a Foundation member group. Thus far, most states which have considered the act have amended this requirement, but only after action by the NAMA state chapter. The NARELLO act provides a level playing field for everyone. Both NARELLO and NAR should be applauded and supported on this vital issue. □

Continued on Page 6

The Master Appraiser



NATIONAL ASSOCIATION OF REAL ESTATE APPRAISERS

8383 East Evans Road • Scottsdale, Arizona 85260-3614 USA • (602) 948-8000

E. Kenneth Twichell
Managing Director

March 6, 1989

The Honorable Edward F. Reilly, Jr.
P.O. Box 9
Leavenworth, Kansas 66048

Dear Legislator:

Senate Bill 324 has been introduced in the Kansas Legislature and it has references to the Appraisal Foundation.

The National Association of Real Estate Appraisers does NOT SUPPORT this legislation because of such reference. The President of the Appraisal Foundation is Mr. John Conlan. He is known to us because of the enclosed articles from local papers.

Drop any reference to the Appraisal Foundation and this nation's largest appraisal association with more members in the State of Kansas will support legislation to regulate appraisers.

NAREA firmly advocates mandatory licensing of all appraisers just as real estate agents, doctors, dentists, etc. are licensed. Voluntary certification does not protect "Ma & Pa Consumer" who use appraisal services. All they know is that they need to hire an appraiser.

Our Kansas "CREA - Certified Real Estate Appraiser" Professionally Designated members greatly appreciate your full consideration of this matter.

Sincerely,
NATIONAL ASSOCIATION OF REAL ESTATE APPRAISERS

E. Kenneth Twichell
Managing Director

Even Conlan's GOP 'friends' say he can't be trusted

GAZETTE
JUL 16 1986

John Conlan says his critics have called him a "combative, controversial conservative."

And he "admits" that the critics are right.

"There are times when you have to fight," the Republican 4th District congressional hopeful told a Phoenix service club last week, adding that he is regarded as controversial "because I'm an innovator. Now they say I was ahead of my time."

One of the advantages of making campaign speeches is that you get to define your opponents, to reveal what they are saying about you (which never sounds quite as bad as

when they say it) and then easily refute it.

This is known as knocking down straw men, and it works just fine — until they come along to remind us of what was really said.

That's what happened to Conlan last week, when all four living Republican Senate presidents delivered an unusual endorsement of Conlan's foe, Jon Kyl, in the 4th District primary contest.

It was one more clue, as if any more were needed, of how grimly Arizona's GOP officialdom regards the prospect of a Conlan victory, which they see as a threat to the bipartisan coherence and collegiality of the state's disproportionately potent Capitol Hill delegation.

John
Kolbe
Gazette
columnist



And it also pretty much pounded the last nail in the coffin of the poor ol' 11th Commandment that Republicans hold so dear, that silly promise that GOP candidates won't say anything untoward about one another.

What made last week's news conference unusual was that high-profile Republicans normally avoid taking sides in primary shootouts. Too messy.

What made it devastating was not only the substance of their critique, but also the perspective from which it came. These, after all, are men who have seen Conlan, the lawmaker, up close, and who know that the legislative process requires more an ability to work with others in an atmosphere of trust than a willingness to fight.

"The most valuable commodity anyone in public service has is credibility," said current president Stan Turley. "I would say Jon Kyl has a world of credibility and John Conlan doesn't have very much. To me, it gets down to that."

Former president Leo Corbet said Conlan had a habit of likening his opposition to the enemy. "If you were against anything he wanted, then you were with the criminals ... a liberal or a communist," Corbet recalled.

Almost as if bent on proving Corbet right, Conlan promptly dismissed his Senate critics as either "pro-abortion, soft on every crime bill and soft on drugs" (in the case of Corbet) or as "big farmers ... backed by the utilities" (in Turley's case).

But it turns out that the four presidents aren't his only critics. Many of his ex-colleagues have stories.

Republican Howard Baldwin, who served four years with Conlan, recalled how Conlan boasted to state highway commissioners that he had blocked a bill creating a Department of Transportation, which they opposed, and then came to Baldwin's office and offered to provide the 17th vote for its passage.

This didn't help much, since it was the vital 16th vote that sponsors needed.

"He's nice to your face and then walks across the room and zaps you," Baldwin said.

Baldwin's story was reminiscent of Corbet's tale of a bill legalizing bingo.

Conlan had made several emotional speeches in closed caucuses excoriating the measure, Corbet recalled the other day, but when it finally emerged from caucus with the required 10th vote, Conlan quickly phoned its chief backer, a Catholic priest, to crow about its success.

Democrat (now Republican) Joe Castillo remembered offering to help Conlan with a private college grant program bill he wanted in exchange for assistance on a Castillo-backed bill. The Democrat kept his side of the bargain, but when it came time to collect the return favor, "he'd be unavailable," Castillo said.

"Conlan was not a part of our caucus in terms of ever being a team player," said Republican Scott Alexander. "It came to the point we could never trust his commitment."

Alexander said he spearheaded a virtually unprecedented effort to oust Conlan from the majority caucus and lined up the needed votes in a meeting at Republican Sandra O'Connor's house. He later "chickened out," Alexander admitted, "because it would cause problems down the line keeping the caucus together."

O'Connor since has gone on to another job where she keeps mum about grubby politics, but many

lawmakers from the era recall her fierce opposition to Conlan.

"He doesn't get along with anybody very long," said Republican Chris Johnson. "He's not trustworthy."

Johnson, who served on Conlan's Senate Judiciary Committee, recalled that Conlan would assure sponsors that he would hold their bills until they lined up the necessary votes — and then call the bills for action when the sponsors were gone temporarily.

Conlan's hints that his foes are all God-hating, budget-busting, pro-abortion liberals are belied not only by former legislative colleagues, but fellow rightists as well.

Paul Weyrich, one of the best known and most influential leaders of Washington's burgeoning "New Right," conceded that he "used to be a John Conlan fan" but turned against him when he realized that Conlan was "a compulsive liar. I'm sorry that a great many well-meaning people in the Christian and conservative community in Arizona don't bother to look behind his rhetoric and his tears."

"It's not that we disagree on issues," said Republican U.S. Rep. Bob Stump, who served with Conlan as a Democratic senator. "Our voting records are probably pretty much the same. I just don't like the way he deals."

LOVEY CONLAN'S CON

You don't screw with John Conlan lightly.

He is a Christian.
Of some sort.

In 1976, one of Arizona's two United States Senate seats became vacant. Then a congressman, John Conlan threw his bible into the ring. During the Republican primary the state's sitting senator, Barry Goldwater, endorsed Conlan's opponent. Conlan responded to this unusual news by going for Goldwater's eyes.

"I don't know what it is with Barry," said Conlan to the Washington media. "Maybe it's the pain (from a recent hip operation), maybe it's the drinking he's been doing."

In the same week that Conlan suggested that only a problem with alcohol could explain Goldwater's vote of no confidence, Conlan's supporters wrote 800 clergymen statewide asking them to urge their congregations to vote for Conlan because, "It sure would be nice to have a man with a clear testimony for Jesus Christ representing Arizona and America."

The note to the ministers went on to say that "because of his Christian faith, and his refusal to drink and carouse with many of those in politics and the press, he has great odds against him. But recent polls show he has moved ahead of his Republican primary opponent, Sam Steiger."

The polls were wrong. Conlan lost.

The defeat was a mortal blow to Conlan's fortunes, but like the irrepressible Jason in the *Friday the 13th* series, Conlan thrives on mortal blows.

After his loss, Conlan worked for almost a decade at the national level on behalf of Christian causes and fundamentalist candidates.

Today, ten years after his senate defeat, he is the frontrunner in the Republican primary, the favorite to take back his old Fourth District congressional seat.

And guess what? Republican leaders are once again endorsing one of Conlan's primary opponents, Jon Kyl. Those publicly opposing Conlan include three ex-state senate presidents, the current state senate president, Stan Turley, and the former mayor of Phoenix, Margaret Hance.

What is it about Conlan that motivates such normally astute Republicans to get involved in the sticky business of primary endorsements? Except to say that Conlan misrepresents the facts and is dishonest, the politicians refuse to cite chapter and verse.

And that's too bad since 43 percent of Phoenix residents weren't here ten years ago. They don't know this man. I have covered John Conlan for years; let me point out some specifics:

- John Conlan once worked on the election staff of Governor Paul Fannin. He was fired, according to campaign manager Samuel Kitchell, "principally because he was deceitful."

- In a 1968 state senate race, voters received a card implying that Conlan was endorsed by Senator Goldwater, Governor Jack Williams, and U.S. Representative John Rhodes. The implication was false.

- In a 1970 state senate race, Conlan was challenged by another Republican in the primary. Just before the election,

voters received a letter endorsing Conlan that appeared to come from the Republican party. The letter was a fraud.

- In 1972, Conlan ran for the newly created Fourth District congressional seat and claimed in campaign brochures that he was responsible for legislation creating kindergartens, mental-health facilities, bike paths and clean air. Observers and legislators familiar with the bills in question said Conlan wasn't telling the truth.

- In 1974, when Conlan stood for reelection to Congress, one of his former staffers came to me with a load of files that he said were from the congressman's office. The boxes contained an enemies list of Republican party precinct committee workers. These are the lowest level, grassroots laborers who work for the well-being of the entire party rather than any single candidate.

The files on the precinct workers noted religion, any John Birch affiliation, personal descriptions and indiscretions with such salient comments as "district chairman is sleeping with . . ." "social climber," "good worker but women's libber," "bad news," "must go," "ran for district chairman when she had a new baby," "divorcée" and "teaches witchcraft in her home."

The former aide explained that one of his jobs in the short time he had worked for Conlan was to try to purge party precinct workers not deemed loyal enough to Conlan.

When I first asked Conlan about these files, he denied they were his. Then he admitted he might have such files, but so did everyone.

When asked why so much energy went into identifying religious affiliation, Conlan replied that once you identify an atheist, you may well have identified a Socialist as well.

In the 113 precinct files in my possession, which name dozens of workers in each precinct, the Conlan forces only managed to locate one alleged atheist. They further noted that she was a widow who had carried John's petitions.

Conlan's ex-staffer said he quit when he became alarmed at the way in which the congressman mixed the pulpit and politics.

Today, ten years later, that mix is all the rage. Liberals and conservatives each have their own religious agendas, though they would deny that freedom to each other.

I am not one of those hypocritical quicheketeers who applaud Catholic nuns for invading Central America, only to feign shock when fundamentalist clerics bomb abortion mills. I do not encourage wheezy Episcopalian ministers to throw themselves in front of trains carrying nuclear waste, only to launch my eyebrows skyward when some Nazarene barker hollers for prayer in the schools.

Because the Republic has survived a recent priest in Congress, I am prepared to accept, on faith, that a Congressman Conlan would pose no security risk.

So, you see, I am not skeptical of John Conlan simply because he claims the Lord is his campaign manager.

Nor do I oppose electing mountebanks and charlatans to Capitol Hill; that almost seems like a process of natural selection.

But when a man is both a pontificator and a cardsharp, I get the heebie-jeebies.

Yonder comes John Conlan, baptismal font in one hand and a pair of loaded dice in the other. The wise man will grab his eternal soul, then clutch his mortal ballot and pitch headlong into the woods.

**BY MICHAEL
LACEY**

ENJOY SOME APPRECIATION.



It's exactly what you want to get from a timely investment. And since we purchased the land inexpensively for Renaissance Park, the timing is perfect for the buy low theory. As for selling high, similar urban developments in Baltimore, San Diego and Pittsburgh have realized sustained appreciation.

FINAL PHASE GRAND OPENING.

Renaissance Park • 7th Street, north of Washington
256-6645 • From the \$70's

COVENTRY

Home of the new urban lifestyle.



CENTER OF ATTENTION.



A revival has taken place downtown. It's called Renaissance Park. And it's renewed everything that's great about downtown living. Location. Luxury. And a great lifestyle. All this, and surrounded by Symphony Hall, Heritage Square and the Civic Plaza. No wonder Renaissance Park commands attention.

FINAL PHASE GRAND OPENING.

Renaissance Park • 7th Street, north of Washington
256-6645 • From the \$70's

COVENTRY

Home of the new urban lifestyle.



AUGUST 19, 1986

JOHN CONLAN

Where's Truth In Advertising?

IS John Conlan, a candidate for the Republican nomination in Congressional District 4, misleading the voters with his political advertising? The evidence points to just that.

Consider, for example, a campaign picture of a man who looks like Conlan astride a horse that is draped with a banner reading, "Re-Elect U.S. Congressman John Conlan."

Or take note of a Conlan political ad in *The Latter-Day Sentinel*, a Mormon newspaper, saying, "Re-Elect Congressman John Conlan." Not only is the word "re-elect" misused, but there is no mention of who's paying for the advertisement, which is contrary to common practice for political ads and might be interpreted as a violation of federal rules pertaining to such advertising.

As anyone the least bit familiar with the election scene knows, Conlan is a former congressman, not an incumbent. Armed with that piece of knowledge, even a casual observer might well conclude that Conlan is not adhering to a policy of truth in advertising.

A candidate who asks voters to "re-elect" him leaves the unmistakable impression of incumbency. That is the effect, whether it's intended or not. And since Conlan is not politically naive, it could be argued that he is being less than candid with the voters.

To avoid even the perception of any intent to deceive, the onetime incumbent should be asking voters to "return" him to office. "Re-elect" is for honest-to-goodness incumbents.

SEPTEMBER 4, 1986

The John Conlan Story

THE Christian fundamentalist credentials that former congressman John Conlan claims are well known in Arizona political annals. His Elmer Gantry oratorical style can mesmerize listeners. His Religious Right monogram is worn on his sleeve. It is not uncommon for him to campaign from the pulpit.

It seemingly should follow that Conlan, seeking to regain his District 4 seat after a 10-year hiatus, would have a hammerlock on the conservative fundamentalist Christian vote that he and his Republican primary opponents — Jon Kyl and Mark DiGuardi — covet.

But in an irony of ironies, Conlan has not been able to win the support of Paul Weyrich, a Washington-based guru of conservative causes whose Religious Right credentials are second to none. Weyrich, who supported Conlan in his first bid for Congress, came to Phoenix Wednesday not to praise Conlan, but to bury him.

Weyrich is just the latest in a string of former political colleagues who are denouncing the controversial and fiery Conlan and supporting Kyl, a conservative with a reputation for

integrity. In July, the current and three former state Senate presidents — all of whom served with Conlan in the Arizona Legislature — accused Conlan of a history of telling half-truths and misrepresenting facts.

What makes Weyrich's comments compelling is his coming out of the closet to ashamedly tell, for the first time, of a Conlan-orchestrated fiasco in 1973 in which Weyrich claims to have played a key role. It involved an inflammatory letter hand-delivered to congressional Republicans before New York Rep. Barber Conable was elected House Republican policy chairman. The letter accused Conable of joining an "ultra-liberal" organization.

Weyrich says Conlan asked him to find someone to sign the letter and he did. The letter was delivered to House Republicans and while fingers of suspicion always have pointed to Conlan, he steadfastly has denied involvement.

Weyrich's story from 13 years ago, as well as comments from others who have served with Conlan, should give would-be Conlan voters justified cause to think again. With little to separate the candidates on policy, the overriding issue is candidate character and integrity.

4
8-11

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON D C 20503

JAN 19 1989

Mr. E. Kenneth Twitchell
Managing Director
National Association of
Real Estate Appraisers
8383 East Evans Road
Scottsdale, AZ 85260-3614

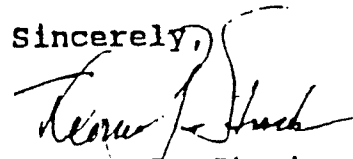
Dear Mr. Twitchell:

This is in response to your letter to the Director that expressed your organization's opposition to the endorsement of the Appraisal Foundation and its standards contained in OMB Circular A-129 "Managing Federal Credit Programs."

The circular, containing State certification of real estate appraisal standards, was approved November 25, 1988. Although the Appraisal Foundation standards are referenced as the source of minimum appraisal standards, States and territories are free to develop their own standards for appraisers, and likewise Federal agencies for appraisals.

I have enclosed a copy of the November 25, 1988 issue of the circular for your information. Please call me ((202) 395-3066) if I can provide any further information.

Sincerely,



Thomas P. Stack
Chief, Credit and Cash
Management Branch

Enclosure

5
8-1