

listed on the Appraiser Roster. An appraiser who is included on the Appraiser Roster on June 16, 2003, but does not meet the minimum AQB licensing/certification criteria in effect on this date, has until 12 months following this date to comply with the AQB criteria and submit evidence of compliance to HUD. Failure to submit such evidence to HUD by the deadline date constitutes cause for removal under § 200.204.

- 3. Amend § 200.204 as follows:
 - a. Revise paragraph (a)(1);
 - b. Redesignate paragraphs (c) and (d) as paragraphs (d) and (e) respectively; and,
 - c. Add new paragraph (c):
- The addition and revision read as follows:

§ 200.204 What actions may HUD take against unsatisfactory appraisers on the Appraiser Roster?

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- (a) * * *
- (1) *Cause for removal.* Cause for removal includes, but is not limited to:
 - (i) Significant deficiencies in appraisals, including non-compliance with Civil Rights requirements regarding appraisals;

- (ii) Losing standing as a state-certified or state-licensed appraiser due to disciplinary action in any state in which the appraiser is certified or licensed;
- (iii) Prosecution for committing, attempting to commit, or conspiring to commit fraud, misrepresentation, or any other offense that may reflect on the appraiser's character or integrity;
- (iv) Failure to perform appraisal functions in accordance with instructions and standards issued by HUD;
- (v) Failure to comply with any agreement made between the appraiser and HUD or with any certification made by the appraiser;
- (vi) Being issued a final debarment, suspension, or limited denial of participation;
- (vii) Failure to maintain eligibility requirements for placement on the Appraiser Roster as set forth under this subpart or any other instructions or standards issued by HUD; or,
- (viii) Failure to comply with HUD-imposed education requirements under paragraph (d) of this section within the specified period for complying with such education requirements.

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- (c) *Automatic suspension from Appraiser Roster.*—(1) *Appraisers subject to state disciplinary action.* An appraiser whose state licensing or certification in any state has been revoked, suspended, or surrendered as a result of a state disciplinary action is automatically suspended from the Appraiser Roster and prohibited from conducting FHA appraisals in any state until HUD receives evidence demonstrating that the state imposed sanction has been lifted.
- (2) *Expirations not due to state disciplinary action.* An appraiser whose licensing or certification in a state has expired is automatically suspended from the Appraiser Roster in that state and may not conduct FHA appraisals in that state until HUD receives evidence that demonstrates renewal, but may continue to perform FHA appraisals in other states in which the appraiser is licensed or certified.

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Dated: May 9, 2003.
John C. Weicher,
Assistant Secretary for Housing-Federal Housing Commissioner.
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