EXHIBIT #3
DATE Jan. 13th
HB 40

Appraisal Subcommittee

Federal Financial Institutions Examination Council

January 11, 2011

Ms. Pat Ingraham, Chairperson
House of Representatives, State Administration Committee
c/o: Mr. Jack Kane, Division Administrator
PO Box 200513
Helena, Montana 59620

Fax: 406-841-2305 Attention: Mr. Jack Kane

Dear Ms. Ingraham:

The Montana Board of Real Estate Appraisers (Board) is one of many important State agencies. The Board, however, is unique in that the Federal government has oversight and enforcement authority over the Board's federally-related functions and operations pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (Title XI).

It has come to our attention that House Bill 40 which was introduced into the 62nd Legislature would prohibit adoption of specific federal regulations without express authority of the State legislature. Since the Montana legislature only meets every two years, we are concerned that this restriction could render the Board incapable of complying with Title XI. A finding by the Appraisal Subcommittee (ASC) of non-recognition for failure to comply with Title XI would have a sweeping and potentially devastating impact on the economy and citizenry of Montana.

We have enclosed our most recent Annual Report and ASC Policy Statements to help you become acquainted with the unique partnership and regulatory structure created by Title XI between the Federal and State governments and the private sector. This report provides detailed information about the ASC's oversight responsibility of your State appraiser regulatory program.

Please contact us if you have any questions.

Sincerely,

James R. Park
Executive Director

cc: Ms. Jennnie Worsech, Bureau Chief
Enclosure

1401 H Street, NW • Suite 760 • Washington, DC 20005 • (202) 289-2735 • Fax (202) 289-4101