Rev. 02-2010

| Certification and/or License Number and Category: |
|---|
| Expiration Date: |

*Commonwealth of Puerto Rico*
*Departament of State*
*Assistant Secretary for the Examining Boards*
*Puerto Rico of Examiners of Real Property Appraisers*
*of Puerto Rico*
*PO Box 9023271*
*San Juan, Puerto Rico 00902-3271*

| Radication Date |
|---|
| |

# APPLICATION FOR TEMPORARY PRACTICE

## APPLICANT INFORMATION

|__|__|__

Rev. 02-2010

**Please Include:**

- ✓ **Copy of the applicant's state license and/or certification.**
- ✓ **Letter of good standing from State Board including a statement in reference to any past and/or pending disciplinary process.**
- ✓ **Two Photographs 2 X 2 of the applicant.**
- ✓ **A $150.00 Money Order payable to the Secretary of the Treasury.**
- ✓ **Description and Address of Property to be appraised.**
- ✓ **Submit evidence (request, or engagement letter) of the nature of the work being temporary and that involves a federally related transaction.**
- ✓ **Submit a log including the properties to be appraised, the client's name, address and phone numbers.**
- ✓ **In order to process your application please send via email to jvázquez@estado.gobierno.pr or fax (787) 722-4818.**
- ✓ **The original application along with the requested documentation must be identified and mailed to:**

**TEMPORARY PRACTICE (Application)**
**PO Box 9023271**
**San Juan, PR 00902-3271**

- ✓ **The appraiser must provide copy of the final appraisal report to the Puerto Rico Board of Examiners of Professional Real Estate Appraisers no later than 30 days after its completion (hard copy or PDF).**
- ✓ **The Temporary Practice permit will be valid for a period six months from its issue date. This period could be extended if reasonable cause.**
- ✓ **The Holder of Temporary Practice Permit shall comply with USPAP and other Laws, Taxes and Regulations established in Puerto Rico.**

_____ _____

**Signature of Applicant** **Date**

**Estado Libre Asociado de Puerto Rico**
**DEPARTAMENTO DE ESTADO**
**Junta Examinadora de Evaluadores Profesionales de Bienes Raíces de Puerto Rico**
**San Juan, Puerto Rico**

# FREQUENTLY ASKED QUESTIONS

**For a Temporary Practice Permit (TPP) the appraisal assignment *must* be related to a federally related transaction (FRT). To assist all TPP applicants, the Puerto Rico Appraisers Examination Board has issued the following FAQ's:**

## What is a Federally Related Transaction?

FIRREA Title XI [12 U.S.C. 3331-3351] in SEC. 1121. Definitions [12 U.S.C. 3350(4)] — define a *federally related transaction* as any real estate related financial transaction which

1. a federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates; and
2. requires the services of an appraiser.

**Part I - Real Estate Related Transactions**

Title XI [12 U.S.C. 3350(5)] also defines a **real estate related transaction** as "any transaction involving:

1. the sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof;
2. the refinancing of real property or interests in real property; and
3. the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities."

Therefore, in determining whether an assignment is a *federally related transaction*, an appraiser must begin by answering two questions.

First, does the appraisal involve the transfer of an interest in real property, the financing or refinancing of a transfer of an interest in real property, or the use of an interest in real property as security for a loan or for mortgage-backed securities.

Second, does the financial transaction for which the appraisal assignment is to be performed involve a *federal financial regulatory agency* or one of the agencies specifically named in Title XI that require the services of a licensed or certified appraiser.

**Part II - Federal Financial Regulatory Agencies**

Title XI identifies the following agencies as *federal financial regulatory agencies*:

(A) the Board of Governors of the Federal Reserve System ("Fed')

(B) Federal Deposit Insurance Corporation (FDIC)

(C) Office of the Comptroller of the Currency (OCC) (The OCC regulates more than 2,500 national banks all across the U. S.);

(D) Office of Thrift Supervision (OTS) (The OTS regulates the nation's savings and loan or thrift institutions); and

(E) National Credit Union Administration (NCUA) (The NCUA insures the accounts of depositors in federally chartered credit union and regulates those institutions).

**Other Affected Financial Institutions**

In addition, Title XI specifically requires appraisals by licensed or certified appraisers for financial transactions for the following institutions:

- Federal National Mortgage Association (Fannie Mae);
- Federal Home Loan Mortgage Corporation (Freddie Mac);
- Resolution Trust Corporation (RTC), the agency created by the Congress to liquidate the assets of the nation's failed savings and loan institutions.
- Federal Housing Administration (FHA)
- Veterans Administration (VA)
- U.S. Securities and Exchange Commission (SEC)
- Financial Industry Regulatory Authority (FINRA)
- Commodity Futures Trading Commission (CFTC)
- Consumer Financial Protection Bureau (CFPB)

**Part III - Requiring the Services of an Appraiser**

The final consideration in determining whether an assignment involves a *federally related transaction* is whether the transaction requires the services of an appraiser. Title XI [12 U.S.C. 3341(b)] provides that each *federal financial regulatory agency* can establish a threshold below which a licensed or certified appraiser is not required for performing an appraisal in connection with a *real estate related financial transaction* . In 1992 the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Reserve Board, and the Office of Thrift Supervision individually adopted appraisal guidelines that included a threshold transaction amount below which an appraisal would be required. Two years later those agencies formally and jointly adopted a threshold of $250,000, commonly referred to as the " *de minimus* ."

Therefore, in theory a *real estate related financial transaction* having a value of $250,000 or less is not a *federally related transaction*. However, the *federal financial regulatory agencies* and their regulated institutions may require appraisals by licensed or certified appraisers for *real estate related financial transactions* with values at or below the *de minimus*, effectively making those transactions *federally related*.

Consequently, upon receiving an assignment, an appraiser in consultation with the client should carefully answer the questions regarding the three elements of a *federally related transaction*:

| | YES | NO |
|---|---|---|
| ○ Does it involve a *real estate related financial transaction*? (Part I) | | |
| ○ Does it involve a federal financial regulatory agency? (Part II) | | |
| ○ Is an appraisal required by a federal financial regulatory agency? (Part III) | | |

**If the answers to *any* of these three (3) questions is "no," the appraisal is not considered a *federally related transaction* and would not be approved for a TPP.**