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Appraisal Subcommittee

Federal Financial Institutions Examination Council

August 31, 2005

Timothy Moore, Chairperson
Montana Board of Real Estate Appraisers
301 South Park, 4th Floor
Helena, MT 59620-0513

Dear Mr. Moore:

Thank you for your June 10, 2005 letter describing the Department of Labor and Industry, Business Standards Division, Business & Occupational Licensing Bureau's ("Department") and the Montana Board of Real Estate Appraisers' ("Board") actions in response to our May 16, 2005 field review letter. We are pleased that the Department and Board appear to be making a concerted effort to address our concerns.

The Department and Board are taking several steps to address the State's longstanding failure to investigate and resolve complaints in a timely manner. Specifically, the Department and Board are: (1) implementing a new initial review process that will reduce the time from when a complaint is received until an investigation is requested; (2) adopting a new complaint, investigation, and disciplinary procedure that has specific deadlines for carrying out Complaint Screening Committee determinations. This procedure should result in a reduction of time between those determination and notices being issued to respondents; (3) ensuring that all enforcement files contain investigator notes concerning the circumstances surrounding the complaints; and (4) adopting a new procedure for addressing denied applications to ensure that all applications are processed on a timely basis.

We note that funding limitations have hampered your ability to hire additional legal counsel to improve the time frame between the actual screening panel action and the final conclusion of the legal proceedings. Nevertheless, you stated that you are exploring other short term options to assist in clearing the complaint backlog. We encourage you to explore any and all appropriate options that would reduce this backlog.

Finally, as requested in our May 16, 2005 letter, please provide copies of your complaint logs to the ASC on a quarterly basis, beginning with calendar quarter ending June 30, 2005.

The State also is making progress with remedying its failure to report disciplinary actions to the ASC as required by ASC Policy Statement 9. We are pleased that the Board has agreed to report disciplinary actions to the ASC following each quarterly Board meeting. In our field review letter, however, we instructed you to report to us all disciplinary actions taken between 2002 and the date of our field review. We have not received this information. Please provide us with this report within 30 days from the date of this letter.

Last, we are pleased that the Board has started the regulation amendment process bring the State's temporary practice and appraiser education regulations into compliance with,

respectively, ASC Policy Statement 5 and the Appraiser Qualifications Board certification criteria. These technical changes also will conform your regulations to practice. Please provide us with copies of these regulatory changes when they are adopted.

Again, thank you for your response and your efforts to address our concerns. Our field review letter and your response are now publicly available. Please contact us if you have further questions.

Sincerely,

A handwritten signature in black ink that reads "Ben Henson". The signature is written in a cursive style with a large initial "B".

Ben Henson
Executive Director

cc: Grace Berger, Executive Officer