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Appraisal Subcommittee
Federal Financial Institutions Examination Council

November 17, 2009

John Arnold, Director
Office of Strategic Planning and Budgeting
1700 W Washington, Suite 500
Phoenix, AZ 85007

Dear Mr. Arnold:

The Arizona Board of Appraisal (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 every Arizona agency, including the Board, has been asked to reduce its budget by 15 percent for FY 2010. We are concerned that such a significant budget reduction, along with the fact that the State government swept the Board's funds earlier in 2008 and 2009, could render the Board incapable of complying with Title XI. A finding by the Appraisal Subcommittee (ASC) of non-compliance would have a sweeping and potentially devastating impact on the economy and citizenry of Arizona.

We have enclosed our most recent Annual Report 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 feel free to contact me at (202) 595-7575 if you have any questions or would like further information.

Sincerely,



James Park
Executive Director

cc: Honorable Janice K. Brewer, Governor

Enclosure