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Appraisal Subcommittee

Federal Financial Institutions Examination Council

May 11, 2000

[DELETION]

Oak Island, NC 28465-6711

Dear Mr. [DELETION]:

This letter responds to your February 15, 2000 letter to Dennis Greene of this office. Please note that we did not receive your letter until May 3rd. In your letter, you expressed concerns regarding a recent investigation conducted by the North Carolina Appraisal Board regarding a complaint filed against you. Specifically, you asked whether the procedures followed by the North Carolina Appraisal Board were typical of other States and whether there should be some type of appellate process that an appraiser can pursue.

Based on our most recent review (1997) of the North Carolina Appraisal Board and its complaint investigation and resolution process, North Carolina's procedures are very similar to those used by most States. Upon receiving a complaint, States typically contact the appraiser and ask the appraiser to provide certain information. After receiving the appraiser's information, States typically have the appraisal and supporting documentation reviewed by Board members, investigators, contract appraisers, or other parties. If the State finds what it believes to be violations of State law or the Uniform Standards of Professional Appraisal Practice ("USPAP"), the State usually attempts to negotiate a settlement with the appraiser. This negotiated agreement often involves the appraiser taking certain education in areas relating to the identified violations. The information you presented in your letter indicates that North Carolina used this approach.

All States have an appellate process available to the public. This process usually is documented in the State's Administrative Procedures Act, or similar statute. Your attorney should be familiar with North Carolina's process.

We already had scheduled an on-site review of the North Carolina Appraisal Board's Program for June 19-20, 2000. Among other areas, we will review North Carolina's complaint investigation and resolution procedures. Should we find any shortcomings in this area, we will address the necessary corrections with the State.

If you have any other questions, please let us know.

Sincerely,

Ben Henson
Executive Director