

□ □ □ □ □ □

Appraisal Subcommittee

Federal Financial Institutions Examination Council

September 21, 2005

Philip W. Humphries, Executive Director
North Carolina Appraisal Board
P.O. Box 20500
Raleigh, NC 27619-0500

Dear Philip:

This letter responds to your September 8th letter regarding the \$1,350 National Registry credit balance and your request for a refund. We will be happy to process a refund, but would like to provide some background regarding this issue.

On June 1, 2004, the ASC received North Carolina's National Registry data submission. We processed the data file, generated Invoice No. NC-04-055 for \$32,525, and mailed the invoice to you on June 7, 2004. On June 9th, you contacted me to question why the invoice contained \$50 fees for 55 appraisers. We discussed how the ASC's computer system processes State data submissions and the significance of the Effective Date reported by the State. The \$50 fees were assessed because the Effective Dates for those appraisers were reported as various dates in May 2004, with June 30, 2005 Expiration Dates. Because the Effective and Expiration Dates spanned more than one year, \$50 fees were assessed. During our discussion, you informed me that the May dates were the dates that the credentials were processed, not the actual Effective Dates. I informed you that we would adjust the invoice and requested that you send a letter or email detailing the substance of our discussion to support the invoice adjustment. Later that afternoon, you faxed a memorandum to me stating that the Effective Dates for the 55 appraisers should be July 1, 2004, not the various May 2004 dates, and requesting an adjusted invoice.

On June 10th, as requested, we issued an adjusted invoice changing the \$50 fees to \$25, with a revised total of \$31,150. According to our records, we received North Carolina's check for \$32,525 on June 14, 2004.

We have an automated process that screens for non-paid or underpaid invoices. That process is what triggered our contact to you in August regarding the \$100 amount. Our process currently does not screen for overpayments. During a manual review of invoice records this month, ASC Administrative Officer Lori Schuster noted that North Carolina had a credit balance. She contacted North Carolina immediately regarding the balance and its disposition. As a result of this incident, we will change our process to include screening for overpayments, as well as non-payments and underpayments.

In your September 8, 2005 letter, you requested that we apply \$625 of North Carolina's credit balance against Invoice No. NC-05-075, and that we refund the remaining \$725. As noted

earlier, we will be happy to do this. We will need you to provide appropriate documentation to submit to the General Services Administration (“GSA”) to authorize GSA to issue a refund check. Specifically, we need an invoice from North Carolina requesting a refund for \$725 in overpaid National Registry fees. We will approve the invoice as soon as we receive it and submit it to GSA for processing and refund.

Please contact us if you have any questions.

Sincerely,

Ben Henson
Executive Director