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Appraisal Subcommittee

Federal Financial Institutions Examination Council

September 7, 2001

Janet Cortes Vazquez, Director
Office of Legal Affairs
Commonwealth of Puerto Rico
Department of State
San Juan, Puerto Rico

Dear Ms. Vazquez:

On August 31, 2001, we received a letter from Luis E. Vallejo, a Puerto Rican real estate appraiser and former member of the Puerto Rico Real Estate Appraisers Board of Examiners ("Board"), enclosing your August 10th letter to Mr. Vallejo concerning the establishment of a compulsory association, *i.e.*, colegio, of real estate appraisers. We have enclosed Mr. Vallejo's letter for your convenience. In your letter, you stated that the issue of a compulsory association of appraisers in Puerto Rico is beyond the ministerial duties of the State Department ("Department") to address. You said that the issue should be the concern of the appraisers and their governing bodies. You further indicated that the Department would not take any action regarding the establishment of such a colegio unless requested by the Puerto Rico legislature or the Board. In his letter to us, Mr. Vallejo expressed his concerns that many members of the legislature might not understand the Federal oversight and statutory provisions affecting Puerto Rico's appraiser regulatory program. This lack of understanding could cause the legislature to take an action contrary to Federal law (Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended) without realizing the conflict. By doing so, the legislature would place Governor Calderon in the same situation as former Governor Rosello found himself in 1996. Governor Rosello vetoed legislation that would have created a colegio for real estate appraisers.

We share Mr. Vallejo's concern and urge you to be proactive regarding this issue. For your information, we have enclosed copies of our previous letters outlining our concerns and position regarding an appraiser colegio.

Please contact us if you have any questions.

Sincerely,

Ben Henson
Executive Director

Enclosures

cc: Jose L. Vargas Nunez, Esq.
Hiram Cerezo, President, P.R. Real Estate Appraisers Board of Examiners
Ferdinand Mercado, Esq., Secretary of State
Miguel Soto Lacourt, Sub-Secretary of State