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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

June 12, 2002

Honorable Senator Herb Kohl  
United States Senate  
c/o Michael Murphy  
14 W. Mifflin Street, Suite 207  
Madison, WI 53703

Dear Senator Kohl:

This letter responds to your May 7, 2002 letter in which you asked for our review of a constituent's concerns regarding disciplinary action taken against him by the Wisconsin Real Appraisers Board ("Wisconsin Board"), which is within the Wisconsin Department of Regulation and Licensing ("Department"). The constituent, [DELETION], is a Wisconsin State Certified General Appraiser. [DELETION] generally alleges that the Board and Department treated him unfairly and violated Wisconsin statutes when the Board determined that he violated Wisconsin law pertaining to appraisal practice. As a result, he has been ordered to pay an \$8,025 fine.

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI"), authorizes State appraiser regulatory agencies ("State agencies"), such as the Wisconsin Board, to investigate and resolve allegations of unlawful acts or practices of its State credentialed real estate appraisers. The Appraisal Subcommittee ("ASC") is not involved directly in that process. Our responsibility is to provide oversight and monitoring of the State agencies to ensure that they carry out the provisions of Title XI. To that end, we review each State's complaint investigation and resolution process as it pertains to Title XI's charge to the States to provide adequate supervision of certified and licensed appraisers.

Shortly after receiving your letter, I telephoned your staff assistant, Michael Murphy. I informed Mr. Murphy that, based on an initial reading of [DELETION] documentation, it appeared that [DELETION] concerns were based on State, not Federal, laws. If so, [DELETION] would need to pursue his complaint with the appropriate State agency, such as the Wisconsin Attorney General's office. I informed Mr. Murphy, however, that we would contact the State to obtain additional information. We discussed [DELETION] complaint with Ruby Jefferson-Moore, Legal Counsel for the Wisconsin Board.

Ms. Moore informed us that [DELETION] failed to exercise all of his appeal options and, as such, the ruling of the Wisconsin Board became final. His case went through the full disciplinary process, including a hearing before an Administrative Law Judge ("ALJ"). We understand that the ALJ issued a proposed decision after hearing extensive testimony. The Wisconsin Board reviewed the ALJ's proposal and [DELETION] before voting to adopt the ALJ's recommendations. Although [DELETION] submitted a petition for rehearing in accordance with Wisconsin Administrative Code, the Wisconsin Board chose not to entertain the petition, and its order became final on October 14, 2000. [DELETION] failed to appeal the decision to the Circuit

Court within the time frames established under Wisconsin law. As a result, [DELETION] forfeited his final avenue of recourse.

We understand the order required [DELETION] to pay an \$8,025 fine within 60 days of the final disposition or potentially be subject to suspension of his Certified General appraiser credential. When we contacted the Wisconsin Board, the Wisconsin Department of Justice was attempting to collect the fine. The Wisconsin Board had not yet elected to suspend [DELETION] credential.

Based on the information provided by the State, it appears that this matter is an issue regarding application of State administrative proceedings. Such actions are subject to State law, not Title XI. [DELETION] might wish to direct his complaint regarding the Wisconsin Board's actions to the Wisconsin Attorney General, or other appropriate agency. We will, as part of our normal oversight procedures, include [DELETION] case in the sampling we select when we perform our next review of the Wisconsin's appraiser regulatory program. At that time, we will ensure that the Wisconsin Board's actions regarding this case appear fair, unbiased, and equitable when compared to other complaints.

Please contact us if you have any questions.

Sincerely,

Ben Henson  
Executive Director