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Appraisal Subcommittee

Federal Financial Institutions Examination Council

September 16, 2010

Mr. William DeLuca, Real Estate Administrator
Real Estate Appraisers Board
Department of Business Regulation
Division of Commercial Licensing, Racing, and Athletics
John O. Pastore Center, Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920-0942

RE: Appraisal Subcommittee Staff Follow-Up Review

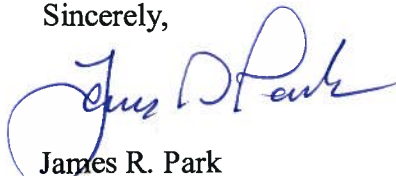
Dear Mr. DeLuca:

Thank you for your cooperation and your staff's assistance in the July 12, 2010 Appraisal Subcommittee (ASC) staff Follow-up Review (Follow-up Review). This was a Follow-up Review of the June 29-July 1, 2009 ASC Compliance Review of Rhode Island's appraiser regulatory program (Program).

As detailed in the attached Follow-up Report, Rhode Island has resolved two of the three concerns identified in the June 29-July 1, 2009 Compliance Review Report. Rhode Island also made significant progress toward addressing the third concern. We commend the Rhode Island Program for its efforts and the progress made.

Please be advised this letter and the attached Report are public record and available on the ASC website in accordance with the Freedom of Information Act. Please contact us if you have any questions.

Sincerely,



James R. Park
Executive Director

Cc: Mr. Michael Marques, Department Director
Mr. William E. Coyle, III, Board Chair
Ms. Maria D'Alessandro, Associate Director of Commercial Licensing

Attachment

ASC Staff Follow-Up Report: 2009 Compliance Review

Rhode Island Appraiser Regulatory Program (Program)		
Real Estate Appraisers Board (Board) Decision making	Follow-Up Review Date: July 12, 2010	Follow-Up Report Issue Date: September 16, 2010
Department of Business Regulation, Division of Commercial Licensing, Racing, and Athletics	Compliance Review Date: June 29-July 1, 2009	
Number of State Credentialed Appraisers on National Registry: 555	PM: K. Klamet	

Requirement/Guidance	Compliance (Yes/No) Areas of Concern (AC)			State Required/Recommended Actions from the June 29-July 1, 2009 Compliance Review	Status as of July 12, 2010 Follow-Up	Further Required Actions/Comments
	Yes	No	AC			
Rhode Island Statutes, Regulations, Policies and Procedures:	X					
States must have sufficient legal and administrative resources to perform Title XI related duties. (Title XI § 1118 (b), 12 U.S.C 3347.)				Staffing was identified as an area of concern.	The Board developed a policy and procedures manual outlining the duties of staff to administer the Program, and cross-trained another full time staff member to assist.	Further Required Actions: None Comments: Rhode Island developed an policy and procedures manual that will serve as a valuable tool.
Application Process:	X					
States must use a reliable means of validating appraiser experience claims on all initial applications for appraiser credentialing. (Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria; ASC Policy Statement 10G.)				The Board was required to: (1) continue with the process to determine the status of compliance for each appraiser identified and provide ASC staff with the final results; (2) downgrade certified appraisers to a non-certified credential who cannot provide acceptable experience documentation; and (3) reissue certified appraiser credentials with corrected effective dates to appraisers who did not have the necessary experience at the time the certified credential was issued, but subsequently obtained the requisite experience.	The Board received and reviewed updated experience logs for those appraisers identified as having obtained a credential based on an experience log that did not detail the actual number of hours and months. Of the logs reviewed, all but three credential holders were found to be in compliance. The three credential holders who did not provide an acceptable experience log were revoked.	Further Required Actions: None Comments: None

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	Yes	No	AC			
Application Process:			X			
States must require all continuing education for re-instatement of an appraiser credential be consistent with AQB Real Property Appraiser Qualification Criteria. (Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria.)				<p>The Department was required to contact the appraiser identified by ASC staff as having been issued a credential without the requisite continuing education hours, and request documentation to show that the appraiser obtained all the required education, either as a reinstatement or as a new applicant.</p> <p>If the credential holder does not provide appropriate documentation to meet this requirement, the Department must downgrade the credential to an appropriate non-certified classification.</p> <p>Rhode Island must amend the regulation regarding reinstatement of a credential to conform with AQB criteria.</p>	<p>The credential holder did not provide sufficient documentation to support the credential issued. The Board initiated an administrative enforcement action against the credential holder. A pre-hearing conference is scheduled for September 20, 2010.</p> <p>The Board drafted revised regulations and anticipates that they will be adopted by January 2011. In practice, the Board is handling reinstatements in accordance with AQB Real Property Appraiser Qualification Criteria.</p>	<p>Further Required Actions: The Board must: (1) continue with the resolution of the enforcement action against the credential holder; and (2) continue with the promulgation of the proposed amendments to the regulations. Please provide ASC staff with a copy of the final regulations.</p> <p>Comments: None</p>