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Appraisal Subcommittee

Federal Financial Institutions Examination Council

September 20, 2000

Anthony F. Majewski, Acting Director
Office of Real Estate Appraisers
1755 Creekside Oaks Drive
Sacramento, CA 95833-3637

Dear Mr. Majewski:

Thank you for your cooperation and your staff's assistance in the August 15-17, 2000 Appraisal Subcommittee ("ASC") review of the California Office of Real Estate Appraisers ("OREA") and appraiser regulatory program ("Program"). Based on our review, we believe that your Program functions effectively and in a manner consistent with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI"). We are pleased with the progress that has been made in the Program during the past two years. We are particularly pleased with the improvements in OREA's complaint investigation and resolution program. In previous reviews, we expressed our concerns regarding OREA's performance in this area. Your investigation and resolution program is now a model program. We congratulate you on your efforts and your success.

We did identify two minor areas that need some further modification. First, your enabling statute and administrative rules have several minor provisions that, if implemented strictly, would be inconsistent with Title XI or the ASC Policy Statements. Nonetheless, you have structured your policies, procedures, and operations to comply with Title XI. As ASC staff discussed with you during the review, you need to amend your statute and administrative rules as you process other housekeeping amendments. Also as discussed during the review, we would be happy to review any proposed changes for compliance with Title XI and our Policy Statements.

Second, we appreciate OREA's efforts to resolve our longstanding concerns regarding OREA's collection and remittance of National Registry fees. As agreed during the review, the last step is for OREA to reconcile each invoice promptly after receipt. Dennis Greene is available to work with your staff, as necessary, to reconcile the data and invoices.

Please respond to our findings and recommendations within 60 days from the date of this letter. Until the expiration of that period or the receipt of your response, we consider this field review to be an open matter. After receiving your response or the expiration of the 60-day response period, whichever is earlier, this letter, your response and any other correspondence between you and the ASC regarding this field review become releasable to the public under the Freedom of Information Act and will be made available on our Web site.

If you have any questions, please contact us.

Sincerely,

Thomas E. Watson, Jr.
Chairman