

# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

July 25, 1997

Mr. Kim Herzfeldt, Chairperson  
Colorado Board of Real Estate Appraisers  
1900 Grant Street, Suite 600  
Denver, Colorado 80203

Dear Mr. Herzfeldt:

Thank you for your cooperation and the Board staff's assistance in the June 12-13, 1997 Appraisal Subcommittee ("ASC") review of the Colorado Board of Real Estate Appraisers' regulatory program. We appreciate the changes you made in the temporary practice and reciprocity areas as recommended in our December 1992 field review letter. We believe that your State's reciprocity program, wherein an out-of-State appraiser's test results, education and experience are accepted, sets a good example for other States and fully complies with the reciprocity provisions in Title XI.

Our review of your current program revealed one area that needs improvement. The Board's complaint resolution process should be improved by reducing both the number of unresolved complaints and the length of time required for resolution.

At the time of our review, there were 96 unresolved complaints, some of which had been open longer than one year. Our review also revealed that 75 of 271 complaints received in fiscal years '93 through '96 took more than a year to investigate and resolve. Several of these cases took as much as two years. We understand that many complaints received by the Board involve complex appraisal issues and require significant amounts of time by both the Program Administrator and the Division investigator assigned to the Board. Nonetheless, it is important that complaints be investigated and resolved in a timely manner.

The Board should initiate the necessary actions to implement a more rapid investigatory process so you may dispose of the backlog of open complaints as well as promptly resolve future complaints.

Please respond to our recommendation within the next 60 days. If you have any questions regarding this matter, please do not hesitate to contact us.

Sincerely,

Herbert S. Yolles  
Chairman

cc: Stewart Leach, Program Administrator