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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

December 11, 2007

Mr. Jerry Farrell, Jr.  
Commissioner, Department of Consumer Protection  
165 Capitol Avenue  
Hartford, CT 06106-1630

Dear Mr. Farrell:

Thank you for your September 21, 2007 letter responding to our August 13, 2007 field review letter. We appreciate the Connecticut Real Estate Commission ("Commission") and the Department of Consumer Protection's ("Department") prompt efforts to address the concerns identified during our field review.

- **Connecticut's temporary practice procedures do not conform to Title XI and Appraisal Subcommittee ("ASC") Policy Statement 5.**

In our September 21<sup>st</sup> letter, we stated that the Department often failed to issue temporary practice permits within five business days of receipt of a completed application. We understand that the Department has implemented a revised procedure of having temporary practice applications delivered immediately to the Department's appraisal unit, and that you anticipate that this will resolve the permit issuance delays. We also understand that you will no longer require Letters of Good Standing to be submitted with temporary practice applications, and, instead, will rely on ASC National Registry license history reports. Finally, we understand that you have incorporated the Consent for Service into the temporary practice application, rather than having it as a separate document that must be attached to the application. This change should assist in eliminating the document being overlooked by applicants.

We also noted in our field review letter that the Department refused to issue temporary practice permits to licensed appraisers unless those appraisers could demonstrate sufficient experience, education, and examination results to qualify for a certified level credential. Although Connecticut does not issue licensed-level appraiser credentials, we appreciate that you now are recognizing such credentials when they are held by temporary practice applicants and are issuing temporary practice permits to qualifying licensed-level applicants.

- **The Commission and Department did not investigate and resolve all complaints in a timely manner as required by ASC Policy Statement 10.**

We found during our field review that three cases had been outstanding for more than one year. Under ASC Policy Statement 10 E., State agencies need to process complaints of appraiser misconduct or wrongdoing on a timely basis. Absent special documented circumstances, final State agency administrative decisions regarding complaints should occur within one year of the complaint filing date.

We understand that on April 1, 2006, Department staff implemented a revised complaint handling process to ensure that complaints are investigated and resolved in a timely manner as required by that Policy Statement. Timothy Keefe, Appraiser Board Administrator, informed Jenny Tidwell, ASC Policy Manager, about that new process as follows:

Step 1: Date stamp the written complaint upon receipt by the Department;

Step 2: Supervisor reviews complaint and assigns it to the appraisal investigative unit;

Step 3: Investigative unit reviews complaint and takes the appropriate action to: (a) close the complaint due to no violation of law or lack of jurisdiction; or (b) send a letter to the complainant, informing the complainant that the Department has opened a case in the matter, has given it a file number, and is sending a letter to the respondent giving the respondent ten days to respond to the complaint's allegations;

Step 4: Upon receipt of the respondent's response or the passage of time after a second request for a response, the Supervisor decides whether to dismiss the complaint, proceed administratively with a letter of caution or bring the matter to the Commission for recommendation for an informal compliance meeting;

Step 5: If the Commission decides to proceed with an informal compliance meeting, the appraisal investigator drafts an investigative report and submits it to the unit Supervisor for review and comment;

Step 6: When the investigative report is approved by the Supervisor, the report is sent it to the legal division for possible administrative action;

Step 7: The legal division may set up an informal compliance meeting with the respondent and notify the Department of the date and time;

Step 8: If an informal compliance meeting is held, the respondent may represent him or herself or bring an attorney for that purpose. The Department attorney handling appraisal matters attends the meeting, along with the appraisal investigator, and in most cases, a recused Commission member;

Step 9: After the informal compliance meeting, the Department decides to either close the case with no further action or offer the respondent a consent agreement in which the respondent agrees to an appropriate sanction;

Step 10: If the respondent does not agree with the findings of the informal compliance meeting and/or does not wish to sign the consent agreement, he may request a formal hearing before the entire Commission, at which point the Commission will schedule a hearing and will finally decide the matter; and

Step 11: Close the complaint file when notified by the legal division that the matter has been completed.

We expect that these new complaint handling procedures will ensure that the State investigates and resolves complaints of appraiser misconduct in accordance with Title XI and ASC Policy Statement 10 E.

Our field review letter, your response, and any other previous correspondence between us regarding the field review are now publicly available on our Web site.

Please contact us if you have further questions.

Sincerely, .

Marc L. Weinberg  
Acting Executive Director  
& General Counsel

cc: Christopher A. Italia, Chairperson  
Connecticut Real Estate Commission