

■ ■ ■ ■ ■ ■

Appraisal Subcommittee
Federal Financial Institutions Examination Council

March 20, 2000

James Fleming, Commissioner
Department of Consumer Protection
165 Capitol Avenue
Hartford, Connecticut 06106-1630

Dear Mr. Fleming:

Thank you for your March 2, 2000 letter to Chairman Yolles responding to our January 10, 2000 field review letter. We appreciate your efforts to address the concerns stated in our January 10th letter. Some concerns, however, remain unresolved.

- **Program Statute (Connecticut Real Estate Licensing Law and Regulations Concerning the Conduct of Real Estate Brokers, Salesmen and Appraisers)**

We reviewed the draft credentials for the “tenured appraiser” and “state licensed general appraiser” that you modified by adding language stating that these appraisers cannot perform appraisals in connection with federally related transactions. That language must be made more conspicuous. Additionally, we are concerned with the use of the term “certified” on the credential and the term “certify” on the pocket card. These terms could be confused with the Federally recognized term “certified appraiser.” You need to change this wording to another term (e.g., “designate” or “confirm”). Finally, while you noted this item as completed, you did not specify when these credentials were or will be delivered to the appraisers.

You stated that you plan “to review and revise, if necessary, the regulations relative to licensure categories.” As we discussed during our February 29, 2000 meeting, Connecticut has failed to take advantage of several opportunities to amend its statute to remedy the problems connected with the “tenured appraiser” and “state licensed general appraiser” classifications. We need more specific information regarding your plans in this area.

To ensure that corrective actions are proceeding, the Commission must:

1. Develop and commit to a scheduled plan for reviewing and implementing statutory and/or regulatory changes regarding the “tenured appraiser” and “state licensed general appraiser” categories and notify us in writing of this schedule;
2. Revise the warning on the credentials as discussed above;
3. Notify us when the revised credentials are delivered to appraisers and provide a list of appraisers who have surrendered their original credentials;
4. Provide us a copy of the implemented legislation for eliminating the certification of partnerships or corporations; and
5. Provide us with monthly updates on your progress in implementing the corrective actions.

- **Complaint Investigation and Resolution**

We are pleased that you have developed and implemented a new complaint review policy. As a result, we anticipate finding readily available, complete, and well-documented files when we visit for a follow-up review. We expect that you will place the targeted response times in a tickler system and document the files so we can determine how the cases were processed and whether they were processed in a timely manner.

Again, to help ensure that corrective actions are proceeding, the Commission must provide a copy of the E-licensing tracking log for all current and backlogged cases and, if all cases dating from 1996 do not appear on this log, provide a complete list of those cases including the date the case was opened, date closed, and disposition of the case.

- **Education**

Your plan to improve the education course approval process appears sound. When we revisit Connecticut for our follow-up review, we will focus on how well this improved process has assured that educational offerings meet the Appraiser Qualification Board's ("AQB") criteria. We also will review the timeliness of responses to education course providers.

- **Temporary Practice**

You stated that revisions to your regulations to conform your temporary practice program to ASC Policy Statement 5 might take approximately 18 months to complete. That time frame is not acceptable. You need to explore expedited ways to cure this deficiency. After considering an expedited process, notify us of your revised estimated time frame and list the steps that you will take, and their associated time periods, to implement the changes.

- **National Registry Data**

We appreciate your efforts to have a Registry data file generated and sent to us. The first several attempts, however, were not complete files or otherwise were unusable. Ray Seward, our data processing specialist, is working with your staff to resolve this issue. It is critical that you ensure that Connecticut staff continues to focus on timely, accurate data submissions.

Please respond to this letter, including the requested items of documentation, within 30 days from receipt of this letter. Please contact Kathryn Gearheard if you would like to discuss these matters further.

Sincerely,



Ben Henson
Executive Director