



OFFICE OF BANKS AND REAL ESTATE

p 2 A

September 21, 2001

Mr. Ben Henson, Executive Director
 Appraisal Subcommittee
 2000 K Street, N.W.
 Suite 310
 Washington, D.C. 20006

Dear Mr. Henson:

I recently received a copy of your letter addressed to Mike Brown and dated August 15, 2001. In that letter, you indicate that the Illinois real estate appraiser regulatory program (Program) is subject to a field review by the Appraisal Subcommittee (ASC) in November 2001. I am disappointed to learn that ASC is planning to begin yet another complete field review so soon after the May 2000 field review.

Returning to Illinois in November to conduct another field review effectively accelerates ASC's normal three-year cycle to an eighteen-month cycle, at least as it relates to Illinois. Accelerating the review cycle creates numerous problems for OBRE.

First, any review consumes a great deal of time and effort on the part of employees at OBRE. While we understand that field reviews are a part of the federal oversight, accelerating the review cycle without explanation or justification creates undue hardship.

Second, accelerating the review cycle without explanation or justification creates the impression that the Program is deficient in some material way or that the individuals administering the Program are not cooperating with ASC. I cannot imagine anything farther from the truth.

The July 2000 report produced by ASC following the May 2000 field review details just four deficiencies. Two of the four issues identified by ASC were within the control of OBRE, and therefore relatively easy to correct. OBRE quickly took corrective action.

However, the remaining two issues required a rewrite of the Illinois Appraiser's Act in order for OBRE to comply with ASC. In spite of the fact that legislative matters are within the control of the General Assembly, in accordance with the recommendations of the July 2000 report issued by ASC, OBRE drafted a rewrite of the Illinois Appraiser's

Mr. Henson
Page 2
September 21, 2001

Act and shared that draft with ASC, seeking your input. Afterwards, OBRE guided the rewrite through the General Assembly and advised Governor George H. Ryan to sign the bill into law. On July 27, 2001, just one year after the field report was issued, Governor Ryan signed the rewrite into law. The rewrite effectively addressed the remaining two issues in the July 2000 report.

Clearly, OBRE cooperated fully with ASC in the field review and moved quickly to implement the corrective measures. However, OBRE has received no closure from ASC despite a specific request for confirmation that OBRE has corrected all issues related to the May 2000 field review.

On April 19, 2001, Appraisal Director Mike Brown sent an email (see attached) to ASC attorney Marc Weinberg, resolving what we believed to have been the final issue related to the May 2000 review. In that email, Mr. Brown asked for confirmation that all issues related to the 2000 review were, in fact, satisfactorily resolved. In his April 20, 2001 response (see attached), Mr. Weinberg deferred such judgment to you and Dennis Greene, indicating that either you or Mr. Greene would soon respond to Mr. Brown's request for confirmation that all issues related to the 2000 review were satisfactorily resolved. Unfortunately, OBRE received no further correspondence from ASC regarding the resolution of deficiencies detailed in the 2000 review.

Instead, in August 2001 OBRE received a letter from you indicating that ASC would be returning in November 2001 to conduct another field review.

Despite the fact that we have not received any closure from ASC regarding the May 2000 field review, we believe that all issues raised in the July 2000 report have been addressed. Therefore, any inference that the Program is deficient or that the individuals administering the Program are not cooperating with ASC is completely unwarranted.

A third problem exists. Accelerating the review cycle without explanation or justification, combined with the ASC's failure to provide some confirmation that OBRE resolved all issues related to the 2000 review, creates a perception that ASC is not treating OBRE in an equitable manner. While I believe that we share a common goal, protecting the public by ensuring high quality regulation of licensed appraisers, how we (OBRE and ASC) accomplish that goal is as important as accomplishing the goal. Returning in November undermines the sense that ASC and OBRE are united in our efforts to improve the regulation of appraisers.

Accelerating the review cycle without explanation or justification, failing to provide OBRE with closure on the May 2000 field review, and the perceptions created thereby result in a fourth problem.

As you well know, the Illinois Real Estate Appraisal Administration Division has been subjected to unfair and inaccurate criticisms recently. In fact, in some cases, the critics

have attacked the integrity of OBRE employees in a very public and irresponsible manner.

Despite the fact that Mr. Brown has done a tremendous job in correcting deficiencies in a program he inherited, deficiencies identified in your report that, for the most part, predate Mr. Brown's employment with OBRE, these criticisms have been made in an effort to embarrass Mr. Brown and OBRE.

As I am sure you recall, these critics attempted to use the occasion of a regular field review by ASC as an opportunity to suggest that the Illinois appraiser regulatory program was mismanaged and in jeopardy of being decertified by ASC. Of course, such criticisms were entirely inaccurate and unfair. In fact, at the time these issues were raised I talked with you and Mr. Greene about these unfounded claims and the destructive nature of such attacks.

Accelerating the review cycle without explanation and without justification only invites additional unfounded criticism. It would be most unfortunate if the occasion of the November 2001' field review provided yet another opportunity for critics to unfairly attack the Program and the individuals administering the Program.

In an effort to avoid such an outcome, and in an effort to avoid the other problems mentioned, I repeat Mr. Brown's April 19, 2001 inquiry: is there some way of confirming that Illinois has satisfactorily resolved the issues related to the May 2000 field review? If Illinois has complied with the 2000 field review, what is the explanation and justification for accelerating the review cycle? Given the concerns raised, does your explanation or justification outweigh the impact the November review will have?

I certainly hope you will reconsider accelerating the review cycle as I believe that returning to Illinois in November to conduct yet another field review would be counterproductive.

The courtesy of your reply is appreciated.

Sincerely,



Patrick Brady
Deputy Commissioner