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Appraisal Subcommittee

Federal Financial Institutions Examination Council

August 28, 2000

Scott Bouchert, Enforcement Manager
Susan Bergh, Licensing Director
Minnesota Department of Commerce
133 East 7th Street
St. Paul, MN 55101

Dear Mr. Bouchert and Ms. Bergh:

Thank you for your May 31, 2000 response to our March 27th field review letter and your July 10th letter describing the actions taken by the Minnesota Department of Commerce (“Department”) in response to our concerns about the Minnesota appraiser regulatory program (“Program”).

We are pleased to note that the Department’s activities, as evidenced by the documents provided with your July 10th letter, appear to have addressed most of our concerns. Vicki Ledbetter, of our staff, will perform a follow-up review of your Program on September 6–7, 2000. Part of her review will include verifying information provided in your letter.

In light of our previous findings and your comments in your May 31st letter, we will closely reexamine your enforcement program during the follow-up review. To assist in that review, we ask that the following information be available at the beginning of our review on September 6th:

- A complete listing of all open and closed complaints filed against real estate appraisers and the corresponding file documentation. This listing should include all complaints since the beginning of the appraiser regulatory program and should include suspected real estate “FLIP” transaction cases;
- Case files containing contract and/or staff reviews prepared for complaints not involving suspected “FLIP” transactions; and
- A summary of all disciplinary actions taken by the Department against appraisers from January 1999 to present.

Again, thank you for your responses and efforts to resolve our concerns. We look forward to our follow-up review on September 6th and 7th and the opportunity to further explore the outstanding issues. If you have any questions, please contact us.

Sincerely,

Ben Henson
Executive Director

cc: Jim Alan, Manager