



MINNESOTA DEPARTMENT OF COMMERCE
Enforcement Division

May 8, 2000

MAY 30

Ben Henson, Director
Appraisal Subcommittee
2000 K Street Northwest, Suite 310
Washington, DC 20006

Dear Mr. Henson:

I have reviewed your letter regarding the conclusions of your examiners' review of the Minnesota appraiser regulatory program.

I am disappointed to find that, in light of significant improvements in our enforcement of the laws pertaining to the activities of appraisers in Minnesota, you and your staff have produced such a negative report. Despite your strong criticisms of our program your review lacks specificity and, I feel, is based principally on conjecture and assumptions that are not valid or were carried over from the 1997 examination.

Therefore, before this office responds to this review or initiates changes that you have recommended, we request a meeting with you and the examiners to better understand your position, your authority, and what specifically are the problems with our policies and procedures upon which your report is based.

I need to add that while it has been brought to the attention of the Subcommittee that there is a national epidemic of fraudulent appraisals being made on residential real estate for the purpose of defrauding lenders your office appears to take the position that you have no authority or interest in working with the states to combat this serious problem. This seems to run counter to the ultimate intent of your organization and undermines any criticisms or improvements you wish to impose upon state enforcement programs.

In any case, I feel that a face to face meeting to discuss these and other issues would best serve both our needs and concerns. I look forward to meeting with you and the examiners and working together to make this national program successful and to better protect the interest of consumers of appraisal services.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott P. Borchert", written over a horizontal line.

SCOTT P. BORCHERT
Director
(651) 296-9431
scott.borchert@state.mn.us
SPB/lb

133 East Seventh Street, St. Paul, MN 55101-2333
Telephone (651) 296-2488 • Toll Free (800) 657-3602 • Fax (651) 296-4328 • TTY/TDD (651) 296-2860
e-mail: enforcement@state.mn.us
Web Site: www.commerce.state.mn.us