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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

August 16, 2002

Timothy Moore, Chair  
Montana Board of Real Estate Appraisers  
301 South Park Avenue  
Helena, MT 59620

Dear Mr. Moore:

Thank you for your cooperation and your staff's assistance in the June 24-26, 2002 Appraisal Subcommittee ("ASC") review of Montana's appraiser regulatory program ("Program"). In most respects, the Program functions in a manner consistent with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI"). The following area needs your attention.

- **Complaint investigation and resolution**

Montana has a number of complaints that are more than one year old. To provide adequate appraiser supervision as required by Title XI, Montana needs to investigate and resolve complaints in a timely manner. Generally, as discussed in ASC Policy Statement 10, complaints should be resolved within one year. We understand that the delay in investigating and resolving these complaints resulted from a department-level decision not to pursue cases until certain issues were resolved relating to existing litigation. We further understand that the Department of Labor and Industry recently reinstated the complaint investigation and resolution process for appraisers not involved in the litigation. We are pleased with the Department's decision. An effective complaint investigation and resolution process is critical to proper appraiser oversight. To allow us to track your progress on resolving outstanding cases, please provide quarterly reports of the status of all complaints. We will notify you when we are comfortable with Montana's progress toward reducing the backlog of outstanding cases. At that time, you may stop submitting the quarterly logs.

- **Appraiser Lawsuit**

We remain interested in the legal action filed against the State by a group of appraisers in January 2000. ASC General Counsel Marc Weinberg periodically has contacted your legal counsel to obtain or provide information. If possible, we would appreciate the Board's perspective on the status of the situation and anticipated resolution.

Please respond to our findings and recommendations in 60 days. Until the expiration of that period or the receipt of your response, we consider this field review to be an open matter. After receiving your response or the expiration of the 60-day response period, whichever is earlier, this letter, your response and any other correspondence between you and the ASC regarding this field review become releasable to the public under the Freedom of Information Act and will be available on our Web site.

If you have any questions, please contact us.

Sincerely,

Jesse G. Snyder  
Chairman