



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

MAY 09 2007

Department of Business Regulation  
DIVISION OF COMMERCIAL LICENSING  
AND RACING AND ATHLETICS  
REAL ESTATE APPRAISERS SECTION  
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May 3, 2007

Ms. Kristi Klamet  
Regulatory Compliance Manager  
Appraisal Subcommittee  
2000 K Street, NW  
Washington, DC 20006-1809

Dear Ms. Klamet:

On April 3 and 4, 2007 the Appraisal Subcommittee of the Federal Financial Institutions Examination Council ("ASC") conducted a review of the appraisal regulatory practices of Department of Business Regulation ("Department") and the Rhode Island Real Estate Appraisers Board ("Board"). A number of areas that needed to be addressed were found by the ASC. This correspondence addresses the measures that the Department has/will implement to resolve the issues you have identified.

1. Necessary Regulation changes.

The Department has taken action to amend its regulations on an emergency basis to satisfy issues that the ASC had in four (4) areas related to:

- A. Fees for temporary practice permits
- B. Annual continuing education allowance for Board members for meeting participation
- C. Renewal of licenses for a certain period pending continuing education compliance
- D. Temporary licenses for reciprocal licensees

Notice of the emergency promulgation of these regulations with the proposed changes is set forth in Exhibit A attached to this letter. These changes have been reviewed and approved by both yourself and Mark Weinberg of the ASC. They will be promulgated or effective within seven (7) business days of the date of this letter.

## 2. Complaint Logs.

The Department has engaged in a revamping and comprehensive update of its complaint logs. The updated logs are attached to this letter as Exhibit B.

## 3. Open Cases.

**[DELETED]**

#### 4. Unrelated Continuing Education Courses.

At its May 2, 2007 Board meeting, the Board reviewed the current list of approved courses and eliminated the following courses from the approval list (including courses referenced by the ASC in its August 24, 2004 letter to the Department) :

##### A. Joseph W. Accetta and Associates, Inc.

How to Buy & Sell Real Estate at Auction  
The Real Estate Expert Witness  
Understanding the Real Estate Auction Process

##### B. Bellevue Real Estate School

Architecture & Construction  
Basic Real Estate Appraisal  
Condominium Law in Rhode Island  
Environmental Concerns in Real Estate  
Evaluating Real Estate Today: the CMA  
Expert Witness in Real Estate  
Fair Housing  
Financing of Real Estate & Closing Statement  
Guide to Using the URAR  
How to List-Sell-Close  
How to Market & Advertise Real Estate  
How to Market/Sell Historic Homes  
Integrating Technology for Realtors  
Introduction to Taxes and Real Estate  
Land Surveys & Related Terminology  
Landlord and Tenant Law  
Law of Agency  
Law of Contracts  
Lead Awareness Seminar Marketing  
Finer Homes & Estates Real  
Estate Investment  
Real Estate Investments- Session 20-01  
Real Estate Investments- Session 20-02  
Real Estate Investments- Session 20-03  
Real Estate Investments- Session 20-04  
Real Estate Investments- Session 20-05  
Real Estate Investments- Session 20-06  
Rhode Island Law & Ethics  
Successfully Negotiating Tax Free Exchanges

TI-BA Calculator- Introduction  
The Approval Process; Planning, Zoning, &  
Environmental  
Regulations  
Value of Owning, Investing in Historic Property

C. Mortgage Underwriters of Rhode Island

Education Through Communication  
FNMA Seminar (Session I)  
FNMA Seminar (Session II)

D. National Association of Independent Fee Appraisers

4.7B Preparing Your Listing for FHA Financing  
5.2 Fair Lending Requirements. The Effect of Real  
Estate  
Fair Lending Requirements Seminar

E. Nelson Humell Seminars

Nondiscriminatory Appraising  
A Study of Current Fair Housing Rules and Regulations

F. PHH Network Services

Heart, Smarts, and Courage. Seminar

G. Rhode Island Association of Realtors

Law of Agency & Broker Liability  
The Big Three Environmental Issues and the RI Real  
Estate Agent  
Code Of Ethics

H. Vanguard Schools- John P. Collins & Associates

Pricing Property to Sell

The Department will notify these schools of the Board's  
action immediately.

The current list of approved courses is attached as  
Exhibit C. The Department welcomes an ASC review of the  
list to ascertain whether any additional courses appear  
inappropriate.

Over the next several month period, the Board plans to  
review course materials for all courses in detail to ensure

appropriate subject matter is being taught. With respect to those licensees who may have taken an unrelated continuing education course, we understand your concern and are working on an appropriate resolution to the issue.

5. As per the request of the ASC, the Department has added categories or fields in its licensee computer database to reflect a greater scope of disciplinary actions that could be taken against licensees. Specifically added were warnings and fines. An example of our new licensee database reflecting these changes is attached as Exhibit D.

6. As per request of the ASC, the Department has conducted national searches of all reciprocal licensees for prior disciplinary actions. In the future the Department will conduct such searches along with its routine securing of a Certificate of Good Standing when licensing reciprocal licensees

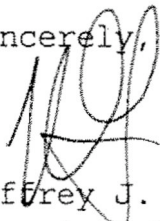
7. The Department has updated its Temporary Practice Application to reflect certain changes recommended by the ASC, specifically in the areas of fees assessed, type of assignment and whether the assignment is part of a federally related transaction. A copy of this new application is attached to this letter as Exhibit E.

8. As per request of the Subcommittee, the Department has commenced adding "Date Received" information in its licensee computer database for temporary practice certificates.

The Department and Board seek the ASC approval of such changes and requests such changes and its efforts be noted in any final report of the ASC on its appraiser regulatory practices. The Department and Board will continue to be diligent in ensuring that ASC regulatory standards are met in the future.

Please feel free to contact me with any comments or questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffrey J. Greer', written over a faint, larger version of the same signature.

Jeffrey J. Greer  
Associate Director