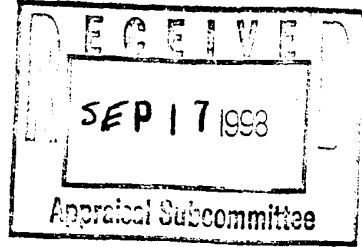




STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS



Department of Business Regulation
OFFICE OF LEGAL COUNSEL
233 Richmond Street
Suite 235
Providence, R.I. 02903-4235
(401) 222-2246
T.D.D.# 222-2223
FAX: 222-6098

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

September 14, 1998

Mr. Ben Henson
Executive Director
Appraisal Subcommittee
Federal Financial Institutions Examination Council
2100 Pennsylvania Ave., NW
Suite 200
Washington, DC 20037

Dear Mr. Henson:

Thank you for your letter dated September 4, 1998.

I am writing on behalf of Ms. Valerie Voccio, Real Estate Administrator of the Department of Business Regulation ("Department") and Garry Reilly, Chairman of the Rhode Island Real Estate Appraisal Board ("Board") in response to your letter dated September 4, 1998 and Mr. Herbert S. Yolles' letter dated February 9, 1998 ("February 9th letter").

Please be assured that the State of Rhode Island has been addressing the issues raised in the February 9th letter. In fact, I told Attorney Weinberg that the Department was waiting until legislation, discussed below, had passed before responding to the February 9th letter. The legislation passed the General Assembly and was signed by the Governor in late July, 1998.

I will discuss each issue in the order it is raised in the February 9th letter.

First, in order to incorporate the increased hours of experience required for certification under federal law as of January 1, 1998, the Department filed an Emergency Regulation on

February 24, 1998 which incorporated the Real Property Appraiser Qualification Criteria (the ASC's requirements) as an amendment to the then current qualification criteria, Chapter 5 of the Rules and Regulations Governing the Certification of Real Estate Appraisers in the State of Rhode Island ("Rules and Regulations").

Since the Emergency Regulation was valid for a limited period of time, the Department and the Board submitted a bill, which was enacted in late July, 1998, which modified R.I. Gen. Laws §5-20.7- the experience requirements for Certified Real Estate Appraisers by stating that the experience would be "as required by the appraisal qualifications board of the appraisal foundation". This modification to the statute, in essence, allows Rhode Island to be in conformity with your experience requirements at all times without the need to amend the Rules and Regulations and/or statute.

The second issue, the National Registry fees submitted by Rhode Island for individuals holding temporary real estate appraiser licenses, will be addressed by Ms. Valerie Voccio in the next several weeks.

The third issue, the lack of formal documentation or notations regarding the reasoning behind enforcement recommendations and decisions, has been corrected. The Department has modified or created the appropriate logs to ensure that its actions are appropriately documented.

The fourth issue, the temporary practice requirements, is also being addressed in the Board's revision of its Rules and Regulations. The temporary license will be able to be renewed for six months upon a payment of one-hundred dollars and a letter of good-standing from the home state. Any revision to the Board's Rules and Regulations must comply with the state Administrative Procedure Act which requires public notice and hearing. Since the Board is still reviewing the current Rules and Regulations the public notice and hearing have not yet been scheduled. It is anticipated that the public notice and hearing will be accomplished by the end of October, 1998.

Since the fifth and sixth issues addressed in the February 9th letter discuss scope-of-practice requirements and are recommendations, the Board will discuss the issues as they arise and has decided not to take any action at this time.

The seventh issue, regarding the period of time within which experience must be gained, is another issue in which the Board has decided not to take the recommended action.

The eighth issue, regarding the reciprocity agreements, is incorrect. Rhode Island has written reciprocity agreements with the state of New York and all of the New England states except Vermont. For all of the other states, Rhode Island allows reciprocity by endorsement.

Finally, the Board concurs on your conclusion that the Board and its staff do not receive adequate funding for training and educational purposes. The Board has made an effort to request funding to attend educational and/or training events without success. If you have access to any resources which would aid in providing funding and/or free training to the Board and Department, we would appreciate any help.

I hope the above is responsive and indicative of the Board's and Department's interest and diligence in addressing the issues in the February 9th letter.

Very truly yours,



Neena Sinha Savage
Legal Counsel

cc: Mr. Garry Reilly
Ms. Valerie Voccio