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Appraisal Subcommittee

Federal Financial Institutions Examination Council

December 7, 1998

VIA OVERNIGHT MAIL

Osbert E. Potter, Commissioner
Department of Licensing & Consumer Affairs
Property & Procurement Building
#1 Subbase, Room 205
Charlotte Amalie, St. Thomas, USVI 00802

Dear Mr. Potter:

The Virgin Islands appraiser regulatory program fails to meet several requirements of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI"). We have worked with the Virgin Islands Real Estate Appraiser Board ("Board") and your office to rectify these shortcomings. While some progress has been made recently, two critical issues remain.

The Virgin Islands has not remitted to us \$5,300 in National Registry of State Licensed and Certified Real Estate Appraisers ("Registry") fees for the period 1994-1998. Under Title XI, appraisers not listed on the Registry are not eligible to perform appraisals in connection with federally related transactions. Title XI requires States and Territories to collect from each individual who performs or seeks to perform appraisals in connection with federally related transactions an annual Registry fee of \$25. States/Territories must remit these fees to the ASC.

We have notified the Virgin Islands of the need to remit these Registry fees on several occasions:

- January 30, 1998 – ASC Executive Director Ben Henson forwarded an invoice for \$4,650 in Registry fees to Board Chairperson Elissa Rock Runyon.
- March 19-20, 1998 – ASC Policy Manager Vicki Ledbetter and General Counsel Marc Weinberg conducted an on-site review of the Virgin Islands real estate appraiser regulatory program. During this review, Ms. Ledbetter and Mr. Weinberg discussed, among other issues, your need to remit the Registry fees to us.
- April 24, 1998 – ASC Executive Director Ben Henson forwarded an invoice for \$650 in Registry fees to Board Chairperson Elissa Rock Runyon. This invoice contained a reminder regarding the previous invoice for \$4,650.
- June 2, 1998 – ASC Chairman Herbert Yolles sent a letter to Board Chairperson Elissa Rock Runyon transmitting the findings from our March on-site review and setting a June 30, 1998 deadline for your remitting the Registry fees.
- September 15, 1998 – ASC Executive Director Ben Henson forwarded a certified letter to Board Chairperson Elissa Rock Runyon, with a copy to Assistant Commissioner Lisa Davis, requesting a response to our June 2nd letter and reminding that the Registry fees had not been received.

- October 23, 1998 – ASC Policy Manager Vicki Ledbetter conducted an on-site follow-up review of your appraiser regulatory program. During this review, Ms. Ledbetter discussed the need to correct the concerns addressed in our June 2nd letter, including remitting the delinquent Registry fees.

If we have not received these Registry fees by December 31, 1998, we will remove all Virgin Islands appraisers from the National Registry. An automated Internet e-mail notice will be forwarded to all subscribers to our notification service, which includes hundreds of lending institutions, informing them that your appraisers no longer are legally eligible to perform appraisals in connection with federally related transactions. Additionally, we will notify the Federal financial institutions regulatory agencies and the Department of Housing and Urban Development so that they may take appropriate action. This office must receive the Registry fees for the outstanding balance no later than December 31, 1998 to prevent this action.

Finally, the Board must prepare and adopt regulations to implement its statutory authority. This action must be taken in the most expeditious manner possible. Based on a December 1st letter from Chairperson Runyon, which we received by fax, we understand that the Board is working on this issue. To keep us aware of your progress, please provide us with a monthly written progress updates.

After receiving your response, it and any other correspondence between you and the ASC regarding this issue become releasable to the public under the Freedom of Information Act and will be made available on our Web site.

If you have any questions regarding this matter, please contact us.

Sincerely,

Herbert S. Yolles
Chairman

cc: Lisa Davis, Assistant Commissioner
Elissa Runyon, Chairperson
Donna M. Christian-Green, VI Delegate to Congress