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Appraisal Subcommittee

Federal Financial Institutions Examination Council

February 6, 1998

Lee Smith, Chairperson
Vermont Board of Real Estate Appraisers
109 State Street
Montpelier, Vermont 05609-1106

Dear Mr. Smith:

Thank you for your cooperation and the Board staff's assistance in the October 16-17, 1997 Appraisal Subcommittee ("ASC") review of the Vermont Board of Real Estate Appraisers ("Board") and appraiser regulatory program ("program"). We found the program to be generally well managed. Our current review revealed only one area that needs improvement.

The Board's complaint process needs to be improved by reducing the length of time required for resolution. At the time of our review, there were nine unresolved complaints, some of which had been open longer than two years. Our review also revealed that five of eight complaints received from 1993 through 1996 took 18 to 36 months to resolve. We noticed that investigative reports prepared by Board members and/or contract investigators often were not submitted in a timely fashion, with investigatory reports frequently being submitted months and even a year after their assignment. We also understand that the Attorney General's Office does not consider appraisal-related complaints a priority because public health and safety are not jeopardized by an appraiser's actions.

In accordance with § 1118 of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, a State appraiser regulatory agency must enforce Title XI's standards, requirements, and procedures. The Board needs to initiate the necessary actions to implement a more rapid investigatory process to enable you to dispose of the backlog of open complaints and to resolve future complaints expeditiously. The Board also should work with the Attorney General's Office to facilitate more prompt review and disposition of cases in light of this Federal requirement.

Please respond to our findings and recommendations within 60 days from the date of this letter. 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 made available on our Web site.

If you have any questions, please do not hesitate to contact us.

Sincerely,

Herbert S. Yolles
Chairman

cc: Ted McKnight, Executive Director