



STATE OF WASHINGTON  
DEPARTMENT OF LICENSING

PO Box 9020 • Olympia, Washington 98507-9020

March 15, 2001

Mr. Thomas E. Watson, Jr.  
Chairman Appraisal Subcommittee  
2000 K Street, NW Suite 310  
Washington DC 20006



Dear Mr. Watson:

Director Stephens has reviewed your letter concerning the Appraisal Subcommittee's review of Washington's appraiser regulatory program and has asked me to respond on his behalf.

The Department has again sponsored legislation (HB 1160 and SB 5356) to amend our Real Estate Appraiser Law and bring Washington's temporary practice statute into compliance with the spirit of Title IX and Policy Statement 5. The legislation would give the Director the authority to set the term of a temporary practice permit by administrative rule. As of this date, the House bill appears to be progressing nicely. After bearing the Senate bill, we have been advised that the assigned Senate committee has decided to wait for the passed House version to be received before taking action. Our only concern at this point relates to how the recent earthquake will impact the legislative session. With extensive damage to the Capitol, the legislature has been scrambling to find places to meet. There is speculation in the newspapers that this could have an impact on the pending legislation. We will keep you advised as to the status of our legislation.

We are acutely aware of the backlog of complaints in our Program. Resources have been strained to try to keep up with this workload. As to the statistical information contained in your letter, I need to provide some clarification. The Department received 300 complaints alleging misconduct by 415 respondents from September 1997 through October 2000. Over 100 complaints received involved more than one respondent. When a complaint is received, the name of each person signing the appraisal report is entered into our tracking system as a respondent. This often involves an appraiser and a trainee. A single case number is assigned for each complaint. Approximately, 137 of the 300 complaints remained open at the time of the review in November. Unfortunately, 103 have been outstanding for more than a year, 30 of which relate to two individual appraisers.

As noted in your letter, we do take disciplinary actions that are fair and equitable. We take our regulatory responsibilities very seriously. Many of the complaints discussed above are in various stages of investigation and prosecution already.

We have also identified several initiatives in our Division's strategic plan that will result in resolving this problem. We plan to establish stable funding and revenue sources across all programs. We will increase fees on a regular basis within established growth limits. In addition, we introduced a proposal in our agency budget request that, if passed, would transfer spending authority from other Division programs to the Appraiser program for legal support and investigation services. We have several technology initiatives that would improve efficiencies.

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Another significant initiative involves developing appropriate investigation and prosecution thresholds for the Appraiser Program. These thresholds will be applied to the existing backlog as well as new complaints received by the department. As a result, we will be able to better use our limited resources to respond to complaints in a timely manner.

If you have any questions, please contact me at (360) 753-1062.

Sincerely:



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cc: Fred Stephens, Director  
Alan E. Rathbun, Assistant Director