



June 30, 2005

JUL - 7 2005

Ben Henson
Executive Director
Appraisal Subcommittee
2000 K-Street NW, Suite 310

Dear Mr. Henson:

This letter responds to your April 12, 2005 letter regarding the Appraisal Subcommittee ("ASC") follow-up review of Puerto Rico's appraiser regulatory program on February 1-2, 2005. I will response to the five points you mentioned in your 4/12/2005 letter in the same order that you did.

"Puerto Rico has not investigated potential deficiencies in Board member appraisal reports when notified of such deficiencies by the Department of Housing and Urban Development ("HUD")."

The Board member that is not named in a HUD complaint investigated and reviewed the potential deficiencies of the other Board member appraisal reports. The reviewing Board member submitted a recommended decision about each of the complaints. We need to achieve quorum to take final action regarding the complaints.

The Board has followed-up the Governor's office for the filling of the two vacancies. We began the process by submitting them the names of some potential candidates to fill the vacancies. They reported to us that they have one candidate to fill one of the vacancies, but the Board has no information regarding this information. We will follow-up the Governor's office to see the status of this process and will keep the ASC staff informed.

"Puerto Rico has not implemented an effective complaint investigation and resolution program".

The Board has improved the investigation and resolution process by the creation of a computerized spreadsheet that was reviewed by the ASC staff. All the complaints (HUD and consumers) are logged and we have and are investigating all the complaints and referrals with most of the having taken the appropriated actions.

"Temporary practice is not administered in a manner consistent with Title XI and ASC Policy Statement 5."

We amended our temporary practice policy by delegating to Board staff the authority to grant temporary practice permits, with our subsequent review. Two temporary practice permits has been issue since then within the five business day of receipt in our office. In addition, we are issuing permits on an assignment basis according to Policy Statement 5. The Board will send you our new policy after completion of typing.

“Puerto Rico does not always conform to Appraiser Qualifications Board (‘AQB’) criteria when upgrading licensed appraisers to certified status”.

Out of the 32 appraisers that were issued certifications based on outdated examinations, 29 took their proper exams and only one failed. The exams were given on 11/13/2004, 12/3/2004, and 3/19/2005. All the information regarding this issue was furnished to an ASC staff.

“Board regulations have not been amended to implement the 1997 Puerto Rico statutory amendments and current AQB criteria.”

The board prepared a final draft of the proposed amendments and copy was submitted to the legal division of the State Department. We are waiting for their comments on the proposed amendments. A draft of these amendments was also sent to the ASC staff and all their suggestions were included. We will follow-up the legal division and let you know about its status.

In addition, the proposed amendments have to be approved by the Secretary of State. At this time there is no Secretary of State. We will follow-up the Governor’s office about this matter.

As you know this Board has had, and continues to have, every intention to achieve full compliance with federal requirements for certifications. If you need additional information, please do not hesitate to contact the undersigned.

Sincerely,

Carlos X. Vélez, President
Puerto Rico Real Estate Appraiser Examining Board

cc: Hon. Anibal Acevedo Vila, Governor of Puerto Rico
Ing. Francisco Toral, Auxiliary Secretary for Examining Boards
Carmen A. Carreras, Esq. Director of Examining Boards