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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

April 12, 2006

[DELETION]

Dear Mr. [DELETION]:

This letter responds to your March 28, 2006 letter to Marc Weinberg, ASC General Counsel, regarding your complaint against the Acting Director of the State of California Office of Real Estate Appraisers (“OREA”). It appears that part of the difficulty in our previous communications is that you have used an incorrect address in past correspondence. You mailed your November 4, 2005 letter to 1029 Vermont Ave., NW, Suite 9000, Washington, DC. The Appraisal Subcommittee has never been located at that address. That address was the previous office location of the Appraisal Foundation, a private, not-for-profit organization that is not part of the Appraisal Subcommittee. As the Appraisal Subcommittee had never resided at that address, the postal service could not have forwarded that letter to us.

According to your March 28, 2006 letter, in 2001, you held a certified residential appraiser credential in California and applied for a certified general credential. Apparently, the Office of Real Estate Appraisers (“OREA”) requested one or more work samples (*i.e.*, appraisal reports) for review as part of its application review process. Also apparently, OREA identified deficiencies in one or more of those work products and, subsequently, initiated disciplinary action against you. You contend that this action was inappropriate because OREA had not received any complaints against you from the public. In your November 5, 2005 letter, you also contended that this action was racially motivated by OREA’s acting director.

It is standard procedure in many States to request work samples from individuals applying for an appraiser credential, whether the application is for an initial credential or an upgrade credential. We, at the Appraisal Subcommittee, encourage this approach as it is an effective step in validating the competency of an appraiser applicant. Accordingly, it was not inappropriate for OREA to request sample work products for review.

Regarding your contention that the review was racially motivated, the Appraisal Subcommittee is not authorized to investigate civil rights types of concerns. During our reviews of State appraiser regulatory programs, however, we do review the State’s statutes, regulations, policies, and practices. In reviewing OREA’s application review process, we did not see any indication that OREA selects applicants for review based on improper or illegal bases. We performed our most recent field review on January 18-20, 2006, and issued our field review letter to California outlining our findings on March 15, 2006. We have enclosed a copy of that letter.

During our January 2006 field review, we analyzed OREA’s entire appraiser regulatory program, including its system for investigating and resolving complaints of appraiser misconduct. In general, that review disclosed that OREA’s enforcement program was well managed, effective, and efficient.

Sincerely,

Ben Henson  
Executive Director

Enclosure