



**Appraisal Subcommittee**  
*Federal Financial Institutions Examination Council*

August 20, 2009

Mr. Jerome Farrow, Chair  
District of Columbia Board of Real Estate Appraisers  
Department of Consumer and Regulatory Affairs  
941 North Capitol Street, N.E., Room 7200  
Washington, DC 20002

Dear Mr. Farrow:

The Appraisal Subcommittee (ASC) conducted an ASC Compliance Review (Review) of the District of Columbia’s (District) appraiser regulatory program (Program) on March 16-18, 2009. This is the final ASC Compliance Review Report (Report) on that Review.

The ASC has considered the staff’s preliminary findings regarding the Review and the District’s response. The ASC has determined that the Program is not in substantial compliance with Title XI of the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989, as amended (Title XI). Details regarding the ASC staff observations, the State response, and required/recommended State actions are included in the attached Report. The ASC identified the following concerns:

- ASC Policy Statement 10E - States should resolve complaints within one year of receipt, except for special documented circumstances. While the District has made some progress in this area it remains non-compliant. The ASC has made recommendations in the attached Report to further strengthen the Program and is requiring that the District’s Real Estate Appraiser Licensing and Certification Board continue to monitor this area for compliance with ASC Policy Statement 10E.
- Title XI, SEC. 1118. (b) (2) – States must have sufficient legal and other administrative resources to perform Title XI related duties. The ASC’s recommended action relative to this concern is included in the attached Report.

In response, the District indicated it has taken some corrective actions, which are detailed in the attached Report. ASC staff will confirm that these corrective actions have taken place and are appropriate during the next Review. Please also be advised that this letter and the attached Report are public record and available on the ASC website in accordance with the Freedom of Information Act.

Please contact us if you have any questions.

Sincerely,

Virginia M. Gibbs  
Chairman

Attachment



### ASC Compliance Review Report

<b>District of Columbia (D.C.) Appraiser Regulatory Program (Program)</b>			
<b>D.C. Real Estate Appraiser Licensing and Certification Board (Board)</b>		<b>ASC Compliance Review (Review) Date: March 16-18, 2009</b>	<b>Review Period: 03/08 - 03/09</b>
<b>Umbrella Agency: D.C. Department of Consumer and Regulatory Affairs (DCRA)</b>		<b>Number of D.C. Credentialed appraisers on National Registry: 837</b>	<b>Issue Date: 8/20/09</b>
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Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
<b>Statutes, Regulations, Policies and Procedures:</b>	X		X					
The ASC shall monitor State agencies for the purpose of determining whether policies, practices and procedures are consistent with Title XI. (Title XI, SEC. 1118 (a), [12 U.S.C. 3347]).				The Board has had one Board vacancy for more than two years and the terms of the other four member appointments have all expired. DCRA submitted names to Mayor Fenty's office of potential candidates to fill the position. The Board members and DCRA staff recently testified at a hearing requesting the appointment.	Following the on-site Review, the District submitted additional names to the Office of Boards and Commissions (OBC). OBC is currently conducting interviews for possible Board appointments.	No further action required.	To strengthen the Program, the Board and DCRA should continue to communicate with the OBC to ensure Board vacancies and expired positions are promptly filled.	The ASC will continue to monitor this concern.
<b>Temporary Practice:</b>	X			No compliance issues noted.	None	None	None	None
<b>National Registry:</b>	X			No compliance issues noted.	None	None	None	None
<b>Application Process:</b>	X			No compliance issues noted.	None	None	None	None
<b>Reciprocity:</b>	X			No compliance issues noted.	None	None	None	None
<b>Education:</b>	X			No compliance issues noted.	None	None	None	None
<b>Enforcement:</b>		X	X					
States should resolve complaints within 1 year, except for special documented circumstances ( <i>ASC Policy Statement 10E</i> ).				<p>This Review revealed an improvement in the District's complaint investigation and resolution program. The use of a contract review appraiser; improvements in file documentation, investigative reports and complaint tracking; and improvements in timeliness of moving complaints through the process have all played a role in the improvement of the enforcement program.</p> <p>The Board closed 23 complaints during this Review Period, and received six new complaints. Thus, the number of outstanding complaints decreased from 29 to six. Of the six complaints outstanding, three had been in progress for more than one year. One of those complaints was received in 2002, one in 2006 and one in 2007.</p> <p>ASC staff noted that with the improvement of the Board's complaint investigation and resolution program, given time, the Board should be able to eliminate the backlog of aged cases and process complaints on a timely basis.</p>	Following the on-site Review, the Board reported that further progress has been made in two of the aged cases and one has been closed due to the death of the respondent.	The Board must continue to monitor the progress of cases for compliance with ASC Policy Statement 10E.	To strengthen the Program, the Board should continue to explore ways to process complaints of appraiser misconduct or wrong doing on a timely basis to ensure compliance with Policy Statement 10E.	During the next Review, the ASC will pay particular attention to this area for compliance with Policy Statement 10E.