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Appraisal Subcommittee

Federal Financial Institutions Examination Council

December 7, 2010

The Honorable Luis Guillermo Fortuño-Burset
Governor's Office
State Capitol
San Juan, Puerto Rico

Dear Governor Fortuño:

As you are aware from previous correspondence, the Appraisal Subcommittee of the Federal Financial Institutions Examination Council (ASC) is a Federal government agency responsible, among other things, for overseeing State real estate appraiser regulatory programs under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (Title XI), 12 U.S.C. 3310 and 12 U.S.C. 3331, *et seq.* In exercising our oversight, we perform periodic on-site reviews of each State's program to monitor compliance with Title XI. Enclosed please find a copy of our report that details findings from the August 2010 Follow-up Compliance Review (Follow-up Review) of Puerto Rico's real estate appraiser regulatory program (Program). This was the most recent in our efforts to monitor the Puerto Rico Board of Examiners of Professional Real Estate Appraisers' (Board) efforts to resolve the serious weaknesses in the Program revealed as a result of our December 2008 Compliance Review (Review).

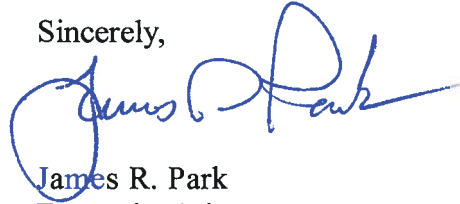
We are pleased to report that the Board has adequately addressed all of our concerns. We will conduct a full Review of Puerto Rico's Program on December 16-17, 2010. At that time, we will review all areas within the Board's purview to ensure compliance with Title XI. Your designated representatives have agreed to meet with ASC staff at 3pm on December 17th during the closing conference to discuss ASC staff's observations.

We also bring to your attention the new Federal legislation commonly known as the Dodd-Frank Act, which significantly amended Title XI (enclosed). As a result of these amendments, Board's regulatory responsibilities have increased, including a requirement to maintain adequate resources for the Program. Consequently, while much has been accomplished, we continue to believe the program is in jeopardy and in need of your support, particularly in terms of budgetary and personnel resources in order to uphold its Federal charge.

Again, we thank you for your involvement in addressing these concerns. We would appreciate your continued involvement as your staff and the Board attempt to implement actions that will ensure Puerto Rico's continued compliance with Title XI.

If you have any questions, please contact us.

Sincerely,



James R. Park
Executive Director

cc: Mr. Kenneth McClintock
Secretary of State

Mr. Carlos Colon, President
Puerto Rico Board of Examiners of Professional
Real Estate Appraisers

Mr. Eduardo Ballori
Assistant Secretary of State for Boards and Commissions
Puerto Rico Department of State

Enclosures