



GOVERNMENT OF THE VIRGIN ISLANDS
OF THE
UNITED STATES

Department of Licensing and Consumer Affairs

May 4, 2007

Virginia M. Gibbs
Chairman
Appraisal Subcommittee
Federal Financial Institutions Examination Council
2000 K Street NW, Suite 310
Washington, DC 20006

Dear Ms. Gibbs:

In response to the Appraisal Subcommittee's letter of March 2, 2007 directing the Virgin Islands Real Estate Appraisal Board ("Board") to areas of deficiency in the Virgin Islands appraiser regulatory program, please note the following corrective measures undertaken to address the concerns identified.

CONCERN: The Virgin Islands' temporary practice fee is excessive and does not comply with Title XI and ASC Policy Statement 5.

As previously communicated, the temporary appraiser practice fee was unilaterally increased when the former Commissioner of the Department of Licensing and Consumer Affairs administratively increased all license and administrative fees. The Board has since adjusted the temporary practice fee to \$150.00 for a six month authorization, renewable for an additional six month period without additional charge. The Board is now in compliance with ASC Policy Statement 5 (copy attached).

CONCERN: The Board issued appraiser credentials without verifying the applicant's education claims, which is a violation of Title XI and AQB criteria.

CONCERN: The Board issued one certified appraiser credential to an appraiser who did not meet AQB education criteria

In their November 2006 review, ASC staff observed four appraisers who were approved to practice without Board verification of their educational claims. The Board now independently verifies all claims of education, thereby ensuring compliance with AQB criteria prior to Board authorization to practice. Of the four appraisers initially found

3000 Golden Rock Shopping Center Christiansted, USVI 00820-4311, (340) 773-2226, Fax: (340) 778-8250
Property & Procurement Bldg., No. 1 Sub Base, Room 205, St. Thomas, USVI 00802, (340) 774-3130, Fax: (340) 778-0675
www.dlca.gov.vi

without education verification, two appraisers have since submitted authentication, which has been verified by the Board. The remaining two appraisers have not responded and have been sent letters requesting supportive documentation. Failure to comply with written Board request will result in Board action on May 25, 2007 to place the appraisers in question on "inactive" status on the National Registry, and to downgrade their status to a non-certified classification. For the appraiser that presently holds licensure in Georgia, failure to comply will also trigger notification to the Georgia Appraisal licensing agency of his change in Virgin Islands appraiser status. A follow-up report will be presented to the Appraisal Subcommittee following expiration of time allowances for compliance.

CONCERN: The Board renewed a certified credential for an appraiser who did not meet AQB continuing education criteria

Since this deficiency was reported to the Board, the appraiser has submitted documentation evidencing completion of the 7-hour National USPAP Update course. The Board has noted that participation in USPAP course, or its equivalent, is an ongoing requirement. We will work closely with ASC staff to ensure that all certified appraisers comply with this requirement.

CONCERN: The Board has not achieved a quorum at a Board meeting since January 2005, impairing the Board's ability to take legal actions.

Notice of Board vacancy and a list of eligible candidates for Board membership is being compiled for transmittal to the Governor following the Board's May 25th meeting. ASC recommendations for Board meeting notice and member follow-up will also be considered where not already in practice.

CONCERN: The Department incorrectly reported several appraiser credentials to the ASC for inclusion in the National Registry.

Several appraiser credentials were incorrectly reported as certified and, ergo, appraiser credentials were incorrectly reflected on the National Registry. After receiving notice of errors in report of appraiser credentials, the Board corrected all registers to reflect the proper status, as documented on the attached spreadsheet. Board members and support staff have pledged to more diligently scrutinize reports and postings to the National Registry to ensure the accuracy of disseminated information.

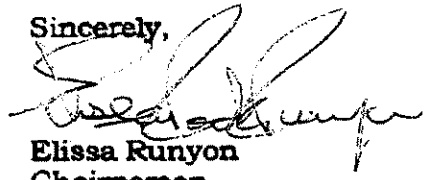
CONCERN: Several sections of the Board's rules and regulations are inconsistent with AQB criteria.

The Board is in receipt of suggested modifications to the Virgin Islands Rules and Regulations adopted on September 6, 2005, as outlined by Ms. Denise Graves in her April 30, 2007 correspondence to the Board. Revision is an agenda item for the May 25th Board meeting. However, recognizing that Rules and Regulations derive their

authority from the Virgin Islands Code, it seems apparent that revisions to the Appraiser law is also necessary to ensure a uniform and enforceable system of appraiser regulation in the Virgin Islands. Law revision will also be discussed at the next Board meeting. The Board will keep the ASC informed of developments for statutory and regulatory revision.

Through ASC guidance and suggestion, the Virgin Islands Real Estate Appraiser Board has renewed its awareness of the importance of regularity in Board practices, processes and attention to detail. Documentation and accuracy also play a significant role in ensuring respect for Virgin Islands appraisers and for the body that locally regulates the industry. The Board extends sincere appreciation to the ASC for their continuing input in Board compliance and corrective action. We will continue to work to ensure that we meet the optimal standard the ASC espouses for professionals in the appraisal field.

Sincerely,



Elissa Runyon
Chairperson

Encl.

cc: Honorable John P. deJongh, Jr.
Governor of the U.S. Virgin Islands

Mr. Kenrick Robertson, Esq.
Commissioner
Department of Licensing and Consumer Affairs

Ms. Lisa Davis
Administrator
Office of Boards and Commissions
Department of Licensing and Consumer Affairs