

□ □ □ □ □ □

Appraisal Subcommittee

Federal Financial Institutions Examination Council

July 30, 2009

Mr. James Collins, Director
Division of Professional Regulation
Council on Real Estate Appraisers
Cannon Building, Suite 203
861 Silver Lake Blvd.
Dover, DE 19904

Dear Mr. Collins:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Delaware real estate appraiser regulatory program (Program) on January 27, 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 State'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 concern:

- ASC Policy Statement 10E - States must resolve complaints within 1 year of receipt, except for special documented circumstances. The ASC's recommendations to further strengthen the Program are included in the attached Report.

In response, the State indicated it has taken corrective actions, which are detailed in the attached Report. The reported corrective actions appear to be appropriate. ASC staff will confirm that these corrective actions have taken place 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,

Deborah S. Merkle
Acting Chairman

Attachment

cc: Stephen Huston, Chairperson

ASC Compliance Review Report

Delaware Appraiser Regulatory Program (Program)		Delaware Council on Real Estate Appraisers (Council)		ASC Compliance Review (Review) Date: January 27, 2009		Review Period: 01/07 - 01/09	
Umbrella Agency: Division of Professional Regulation		Number of Delaware credentialed appraisers on the National Registry: 751		Issue Date: July 30, 2009		Page 1 of 1	

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					
Statutes, Regulations, Policies and Procedures:	X			No compliance issues noted.	N/A	N/A	N/A	N/A
Temporary Practice:	X			No compliance issues noted.	N/A	N/A	N/A	N/A
National Registry:	X			See below.	N/A	N/A	N/A	N/A
States must submit all disciplinary actions for inclusion on the National Registry (ASC Policy Statement 9A).				Not all disciplinary actions taken by the State were reported to the ASC for inclusion on the National Registry.	During the Review, the State corrected all discrepancies of disciplinary actions for inclusion on the National Registry and implemented procedures to ensure all future disciplinary actions are reported to the ASC timely and accurately.	No further action required.	N/A	N/A
Application Process:	X			No compliance issues noted.	N/A	N/A	N/A	N/A
Reciprocity:	X			No compliance issues noted.	N/A	N/A	N/A	N/A
Education:	X			See below.	N/A	N/A	N/A	N/A
States must maintain sufficient documentation to support that approved courses conform to AQB Criteria (ASC Policy Statement 10F).				Course renewal files that had been previously approved did not contain detailed course documentation. ASC staff were familiar with the courses from other reviews and noted that the courses appeared appropriate.	During the Review, the State implemented new procedures requiring all course materials (e.g. course outline, objective, syllabus, instructor biography and AQB approval letter) be retained for a period of at least five years after the course expires.	No further action required.	N/A	N/A
Enforcement:		X		See below.	See below.	See below.	N/A	See below.
States should resolve complaints within 1 year, except for special documented circumstances (ASC Policy Statement 10E).				Delaware had six outstanding complaints; five were over one year old. All of the aged cases were received in 2007 and all were pending action at the Attorney's General Office.	On April 15, 2009, the Council sent a letter to the Delaware Attorney General requesting additional resources to achieve and maintain compliance with Policy Statement 10E.	Delaware must submit quarterly complaint logs to the ASC staff until the five aged cases are resolved. Staff will analyze each log. If progress is not being made; the ASC may place additional reporting and/or data collection requirements upon the State. The ASC Policy Manager assigned to Delaware will work with Council staff to determine the content and timing of the logs.	To strengthen the Program, Delaware should explore ways to process complaints of appraiser misconduct or wrongdoing on a timely basis to ensure compliance with Policy Statement 10E.	During the next Review, the ASC expects to see an improvement in Delaware's complaint investigation and resolution program.