

□ □ □ □ □ □

Appraisal Subcommittee

Federal Financial Institutions Examination Council

December 19, 2008

Ms. Erin Toll, Director
Department of Regulatory Agencies
Division of Real Estate
Board of Real Estate Appraisers
1560 Broadway, Suite 925
Denver, Colorado 80202

Dear Ms. Toll:

Thank you for the cooperation and assistance of the Colorado Department of Regulatory Agencies (Department), Division of Real Estate (Division) and Colorado Board of Real Estate Appraisers (Board) in the September 10-12, 2008 Appraisal Subcommittee (ASC) review of the Colorado real estate appraiser regulatory program (Program). Based on our review, Colorado needs to address the one concern identified below to bring the Program into compliance with Title XI of the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989, as amended, (Title XI). Because this is a longstanding concern that has yet to be fully resolved, we will evaluate your progress in addressing this issue during our priority contact visit in the fall of 2009.

- **Colorado's complaint investigation and resolution process do not comply with Title XI and ASC Policy Statement 10E.**

Colorado's complaint investigation and resolution process do not comply with Title XI and ASC Policy Statement 10E because not all complaints are investigated and resolved in a timely manner. ASC Policy Statement 10E provides that state agencies need to process complaints on a timely basis, and that, absent special documented circumstances, final state administrative decisions regarding complaints should occur within one year of the complaint filing date.

Timely complaint investigation and resolution has been a longstanding concern for Colorado. In our January 5, 2007 field review letter, the ASC advised Colorado that if substantial improvement was not seen by our next full field review (September 2008), the ASC would consider initiating a non-recognition proceeding in accordance with § 1118(b) of Title XI, 12 U.S.C. 3347(B).

During this field review, we found that Colorado has made substantial improvement in timeliness of complaint investigation and resolution. In addition, complaint files were well documented and the actions taken were fair and equitable.

There were 104 complaints outstanding at the time of our review as compared to 246 noted in our August 2007 field review. Of those complaints, the majority (78) were received within the year. We understand that of the 26 complaints outstanding for more than one year, 19 are pending at the Attorney General's (AG) Office. The remaining seven have stipulations in process.

The Department and Division need to continue to focus the necessary resources in this area to ensure that all complaints are investigated and resolved in a timely manner, as required by Title XI and ASC Policy Statement 10E; also continue to provide an electronic copy of the complaint log quarterly to ASC Policy Manager Kristi Klamet at kristi@asc.gov.

Unless otherwise noted above, please respond to our findings and recommendations within 60 days following the receipt of this letter. Until the expiration of that period or the receipt of your response, we consider this field review to be an open matter. After receiving your response or the expiration of the 60-day response period, whichever is earlier, this letter, your response and any other correspondence between you and the ASC regarding this field review become releasable to the public under the Freedom of Information Act and will be made available on our Web site.

Please contact us if you have further questions.

Sincerely,

Virginia M. Gibbs
Chairman

cc: Thomas Fellows, Board Chair
Marcia Waters, Investigation & Compliance Director