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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

February 23, 2004

Mr. Louis J. Garone, Chairman  
Colorado Board of Real Estate Appraisers  
Department of Commerce and Insurance  
1900 Grant Street, Suite 600  
Denver, CO 80203

Dear Mr. Garone:

Thank you for your December 12, 2003 response to our October 17<sup>th</sup> field review letter. We appreciate the Colorado Board of Real Estate Appraisers' ("Board") efforts to address each of our concerns regarding the State's appraiser regulatory program. We look forward to receiving the quarterly reports that will enable us to continue to monitor your progress in reducing the backlog of outstanding complaints.

Regarding Colorado's use of the affidavit approach to continuing education compliance, we understand the concerns you raised. Those concerns include due process considerations and the impact on personnel and fiscal resources. We appreciate your offer to modify the Board's affidavit approach by substantially increasing the monetary penalties for non-compliance and reducing the "make-up period" to 30 days. At a minimum, your proposal appears to be an acceptable interim solution, as further discussed below.

As State fiscal resources continue to be restricted, more States are looking for methods to carry out their responsibilities using more cost-effective methods. Use of the affidavit approach for continuing education compliance is a prime example of such an opportunity.

Our concerns regarding the affidavit approach to continuing education compliance have risen to the point that we are considering whether to issue a Policy Statement on this subject. Until the ASC makes a final determination on a possible Policy Statement, we will accept Colorado's revised affidavit process, as detailed in your letter.

Thank you for your response and your efforts to address our concerns. Please contact us if you have any questions.

Sincerely,

Ben Henson  
Executive Director

cc: Stewart Leach, Program Administrator  
Debbie Campagnola, Director, Division of Real Estate