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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

October 24, 2000

James T. Fleming, Commissioner  
Department of Consumer Protection  
165 Capitol Avenue  
Hartford, CT 06106-1630

Dear Mr. Fleming:

Thank you for your cooperation and your staff's assistance during our August 24-25, 2000 follow-up review. We are encouraged by the significant improvements to your appraiser regulatory program. Our onsite review and your monthly reports indicate that Connecticut has addressed successfully most of the concerns discussed in our January 5, 2000 letter. We appreciate your efforts and your willingness to work with us to resolve these concerns. Nevertheless, as discussed below, two areas still require your prompt attention.

- **Complaint Investigation and Resolution**

In our January 5, 2000 field review letter, under the topic titled "Complaint Investigation and Resolution," we identified three actions that the Connecticut Real Estate Appraisers Commission ("Commission") needed to take. The first action item was to "Develop and implement a formal, detailed, and documented complaint investigation, resolution, and tracking system." On October 6, 2000, you provided us with the first complete log of all complaints filed against appraisers in your State. Until we were able to review a comprehensive log, we could not begin to measure your enforcement program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI").

The complaint log lists 135 appraiser-related cases, 54 of which remain open and some of which date back to 1996. The log indicates that many of your cases are not resolved in a timely manner. Thirty-five of the 81 closed cases required more than one year to investigate and resolve. Of these 35 cases, ten required from two to three years to resolve, and three required more than three years. One case took more than three years and resulted in the case being withdrawn and closed with no violations cited. Another case also was active for more than three years, yet was closed with no action. We are concerned with the extended time required to investigate and resolve complaints. It appears that either you are not appropriately prioritizing these cases or you are not devoting adequate resources to ensure their timely investigation and resolution.

Please send us an updated complaint log each month beginning November 1, 2000, so we may monitor your progress in resolving your complaint cases, particularly those that have been outstanding for one year or longer. After receiving sufficient information for analysis, we will return to Connecticut to review and discuss your case investigation and resolution process.

- **Some education courses still do not meet Appraiser Qualification Board (“AQB”) criteria.**

In our January 5, 2000 field review letter, under the topic titled “Education,” we identified four actions that the Commission needed to take. The first action was to “Review all currently approved education courses to determine whether each offering meets the AQB’s minimum educational criteria.” Although the Commission completed this action, during our follow-up review, we discovered that several courses not meeting the AQB criteria nevertheless were re-approved by the Commission. Some of these courses concerned general real estate sales. We discussed these courses with you and the Commission Chairperson.

The Commission again must review its approved education course offerings and determine whether each course meets the AQB criteria. Courses not meeting the AQB criteria must be deleted from the approved education listing, and appraisers may not be given qualifying or continuing education credit for these courses. The Commission must report to us in writing by November 30, 2000, the results of that review. In that report, please include for each course a reference to the appropriate AQB criterion supporting your acceptance decision.

Once again, we appreciate the efforts your office and the Commission have made during the past several months. We are pleased by your progress in addressing our concerns and bringing Connecticut’s program closer to compliance with Title XI. We no longer require the monthly reports outlined in our January 5<sup>th</sup> letter.

If you have any questions, please call Kathryn Gearheard, Senior Appraisal Policy Manager, at (202) 872-7511.

Sincerely,

Thomas E. Watson, Jr.  
Chairman

cc: Honorable John G. Rowland, Governor  
State of Connecticut  
Honorable Nancy L. Johnson, Representative  
Congress of the United States  
Donato D. Maisano, Chair  
Connecticut Real Estate Appraisers Commission